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[SOUTH CHINA MORNING POST 29 Jun]

RENMIN RIBAO DISCUSSES UN DISARMAMENT SESSION

OWO21914 Beijing XINHUA in English 1505 GMT 2 Jul 82

[Text] Beijing, July 2 (XINHUA) -- As the general debate at the second special session of the U.N. General Assembly on disarmament has come to a close, two diametrically opposed attitudes towards disarmament are becoming obvious -- the growing Third World's demand for genuine disarmament with the two superpowers taking the lead versus the sham disarmament gesture on the part of the two superpowers, a signed article in PEOPLE'S DAILY points out today.

It adds: With gunfire shots echoing from Afghanistan to Kampuchea, from the Persian Gulf to Lebanon, the U.N. special session, Security Council meetings and emergency U.N. conferences were convened day and night to deal with pressing problems and urgent issues facing the present world. This really is something rarely seen in the U.N. history.

More and more participants of the current special U.N. session are coming to see that the arms race and global rivalry between the two superpowers are seriously threatening the security of the Third World countries. This superpower rivalry is focused mainly on the Third World. As a Senegalese representative put it, Third World countries are becoming direct victims of the global superpower rivalry.

A U.N. official who attended the first U.N. special session on disarmament in 1978 said that many Third World countries have come to see that if the arms race and rivalry between the two superpowers continue with their present momentums, this will inevitably lead to conflicts between the two superpowers. If an open war between them erupts, Third World countries will certainly bear the brunt.

Under these circumstances, the Third World countries are raising their stronger demand for the two superpowers taking the lead in disarmament and stopping their hegemonist interventions in other countries in the world.

The current U.N. special session is also characterized by a greater concern over the problem of conventional disarmament. A Singapore representative pointed out that men and women are dying every day in conventional wars in the world. In the view of many Third World countries, the conventional military buildup by the two superpowers and a possible conventional war between them constitute a more actual threat to the small and medium-sized countries than a nuclear war does.

The obvious growing concern about conventional arms race contrasts sharply with the case at the first special U.N. session on disarmament in 1978. At the first special U.N. session, many countries laid emphasis on nuclear disarmament by avoiding mentioning conventional disarmament. Some of them even went so far as to assert that discussions on conventional disarmament could block efforts for nuclear disarmament.

In face of the growing disarmament demand, the two superpowers have attacked each other and tried to place the blame at the door of the other. Their disarmament gestures are obviously designed to hoodwink the public.

Commenting on the Soviet pledge not to be the first to use nuclear weapons, the New York TIMES said that the pledge is "a clever diplomatic and political move aimed at forcing the U.S. onto the defensive."

The New York newspaper DISARMAMENT TIMES recently ran a banner headline underscoring a gap of 18 years between China and the Soviet Union in announcing no first-use of nuclear weapons. Competent sources pointed out that China's commitment to this end took effect soon after its first nuclear test in 1964, while the Soviet Union made the same pledge only after it has built up an enormous nuclear arsenal and gained a conventional arms superiority. Furthermore, Moscow asserted that how it would carry out this policy depends on what actions will be taken by other nuclear nations. This amounts to saying that it may change its policy anytime in future. What is more, there is no assurance whatsoever in the Soviet statement that Moscow would unconditionally renounce the use of (?nuclear weapons) against non-nuclear nations.

In his opening address to the second U.N. special session on disarmament, Ismat Kittani, president of the current session, asked: In the present-day world, "where is the security? Who feels secure?" People may follow this up with another question: If the whole world feels insecure, who is it that threatens international security? Faced with pressing tasks, the present U.N. session would find it hard to achieve any significant progress in real disarmament.

GROMYKO MEETS WITH PHILIPPINE FIRST LADY

OW070304 Beijing XINHUA in English 0252 GMT 7 Jul 82

[Text] Moscow, July 6 (XINHUA) -- Soviet Foreign Minister Andrey Gromyko today met with Imelda Marcos, wife of the president of the Philippines and governor of greater Manila, TASS reported today. They exchanged views on bilateral relations and pressing international issues. Gromyko "condemned the imperialist policy of kindling new conflicts in various regions of the world", TASS said.

The Soviet foreign minister pointed out that "continuing tensions in South-East Asia could not but cause apprehension", but he avoided to go into the root cause of the tensions. He claimed that "the Soviet Union sides with those who are striving to turn this region into a zone of peace and stability".

Mrs. Marcos pointed out that adhering to its policy of peace and cooperation with all countries, the Philippines is ready to do its utmost to promote the relaxation of tensions and strive for practicable disarmament and a healthy international atmosphere.

Imelda Marcos arrived here yesterday to attend the final stage of the Tchaikovsky musical competition as guest of the Presidium of the Supreme Soviet. Vasily Vasilyevich Kuznetsov, first vice-president of the Presidium, received her after her arrival.

INDIAN CHIEF OF GENERAL STAFF ENDS USSR VISIT

OW061714 Beijing XINHUA in English 1517 GMT 6 Jul 82

[Text] Moscow, July 6 (XINHUA) -- India's Chief of General Staff and Chief of the Army Staff K.V. Krishna Rao ended a week-long visit to the Soviet Union Sunday, during which he was believed to have discussed with top Soviet officers the supply of weapons and military equipment to India.

Reporting the news today, KRASNAYA ZVEZDA (RED STAR) said that Rao had talks with Dmitriy Fedorovich Ustinov, minister of defence, and Nikolay Vasilyevich Ogarkov, chief of General Staff of the Soviet Army and Navy, on "questions of common concern", during his stay in the Soviet Union.

He also visited the armoured forces military academy, the Leningrad military district and other places, the report said.

RENMIN RIBAO LOOKS AT U.S.-EUROPEAN DISPUTES

HK050233 Beijing RENMIN RIBAO in Chinese 4 Jul 82 p 6

[Article by Zhai Xiangqian [5049 6272 0051]: "Disputes Between the United States and Europe Sharpen Again"]

[Text] After the seven-nation Versailles summit, the United States put pressure on Western Europe on the issues of iron and steel, agricultural products, and limitations on natural gas pipeline equipment sales to the Soviet Union, thus arousing strong Western European discontent with the United States. The Versailles atmosphere of "unity" has now all dissipated.

When the seven-nation Versailles summit held at the beginning of June reached a number of agreements, the Western press pointed out that "only time can tell whether" these agreements "can be kept." Now, less than 1 month later, fierce new disputes have broken out between the United States and Western Europe over iron and steel, trade in agricultural products, and the extension of sanctions against the Soviet Union. As a result the atmosphere of "unity" and "mutual understanding and concession" has suddenly been totally dissipated.

This was the train of events: On 11 June, after the breakdown of negotiations between the United States and the EEC on trade in iron and steel, the United States suddenly announced without prior consultation that it was imposing an "antidumping duty" on iron and steel products from the EEC member countries. This U.S. move aroused angry reaction among the countries of Western Europe. Before this storm had died down, another row broke out over agricultural products. The United States had consistently attacked the EEC for squeezing out traditional American agricultural products by dumping subsidized exports of surplus dairy products, cereals, sugar and meat on the international market. The United States threatened that unless the Common Market changed this policy, the United States, too, would institute an export subsidy system and allocate \$1 billion as subsidies for the purchase of American agricultural products.

While the U.S.-European trade war was just unfolding, U.S. President Reagan announced on 18 June the extension of sanctions against the Soviet Union, banning the overseas subsidiaries and foreign licensees of U.S. companies from providing the Soviet Union with natural gas pipeline equipment. The U.S. assistant commerce secretary further announced on 23 June that if any foreign company violated this U.S. decision, it would be prohibited from receiving "goods or information" from the United States. The United States had from the start opposed this huge European-Soviet natural gas deal, but the United States and the European countries reached a compromise on the issue at the Versailles meeting and did not make any specific decision concerning it. The U.S. move in suddenly taking even tougher sanctions without first consulting the countries of Western Europe has caused a host of difficulties for the natural gas pipeline deal, which involves many Western European countries.

The countries of Western Europe have responded very strongly to this chain of U.S. moves. The EEC vice chairman stated: "We are now in a state of extreme political and economic tension with Washington." After holding a foreign ministerial meeting on 22 June, the EEC held a summit on 28 and 29 June to discuss U.S.-European relations. The meeting warned the United States that "its tough trade policies might damage relations between the United States and Western Europe," and "wreck Europe's economic recovery efforts," and criticized the U.S. decision to embargo natural gas pipeline equipment as "being indifferent to the sovereignty of other countries," "affecting the interests of the alliance," and "violating international (economic) law." West German Chancellor Schmidt and French President Mitterrand openly expressed strong discontent over the U.S. decision. They declared that it was "intolerable." Even British Prime Minister Mrs Thatcher, who had consistently supported the United States, said that the U.S. move to block the construction of the natural gas pipeline by Western Europe and the Soviet Union was a mistake. The Western European countries decided to pay no heed to the U.S. embargo but to continue to carry out the natural gas contract they have signed with the Soviet Union.

Certain Western newspapers and journals anxiously pointed out: Anti-American trends in Europe are becoming ever stronger, and if the two sides do not exercise restraint, but allow the disputes to go on, "the entire Western alliance will be damaged."

There have consistently been differences of opinion between the United States and Western Europe on a whole series of questions in recent years. Due to the long period of economic recession in the capitalist world, the disputes between oppositesides of the Atlantic on trade, finance, markets and so on have grown ever sharper. As a result of the harmony at the Versailles and Bonn summits, both sides made concessions and compromises and a certain atmosphere of "unity and harmony" appeared. But why did the United States suddenly get tough not long after the Versailles meeting and even push U.S.-European relations into one of their most tense states since the war? Western public opinion holds that this was caused by differences within the Reagan administration, and that the advocates of a tough line have recently gotten the upper hand. The WALL STREET JOURNAL said the Defense Department and the National Security Council have demanded further pressure on the allies to make greater concessions than those agreed upon at the Versailles meeting, whereas the State Department would rather concentrate efforts on making the Versailles agreements effective. The hard-liners in the Reagan administration have publicly taken the move of putting pressure on Europe over the gas pipeline deal with the Soviet Union, and this move has intensified the dispute between the United States and Europe.

The chief cause of the fresh sharpening of U.S.-European tensions lies in the fact that it is impossible to solve the disputes between them on a whole series of basic issues.

First, there is the question of strategy toward the Soviet Union. The Reagan administration tries to take advantage of the Soviet Union's present internal and external difficulties and its transition from old to new leadership to play a "dual strategy" and step up its "disarmament offensive" on the one hand, while on the other intensifying economic pressure on the Soviet Union, to make it more "introvert." For this reason, the United States has demanded that Western Europe comply with its intentions and step up sanctions against the Soviet Union. However, the relations of the leaders of France, West Germany and other Western European countries with the Soviet Union are different from U.S.-Soviet relations, because they are geographically close to it. They hold that the Reagan administration's excessively hard-line Soviet policy will damage their trade and economic interests with the Soviet Union and Eastern Europe and step up the tension between Western Europe and the Soviet Union, thus increasing their difficulties. In addition, there is currently a strong antiwar and antinuclear peace movement in the countries of Western Europe, and there has been something of an upsurge in anti-Americanism. These factors are daily producing effects on the political situation of these countries that cannot be ignored.

Second, on economic issues, the West has been in a state of economic crisis for 2 years now and is still finding it difficult to extricate itself. Each nation is feverishly seeking a way out and preserving its own interests. This inevitably intensifies the competition for markets, with the result that the U.S.-European trade war is heating up daily.

It must be realized that the development of the EEC over many years has made Europe an international force that cannot be overlooked, and it is increasingly demanding to pursue an independent policy. Western Europe still relies militarily on the United States, but it has become an economic rival of the United States. Thus it strengthens its alliance with the United States and relies on it to counteract the Soviet threat together, and at the same time it demands equal treatment with the United States, preserves its own interests and plays a still greater role in world affairs. The U.S. ruling authorities apparently have not yet comprehended this situation, as they blindly demand that the Western European allies subordinate themselves to U.S. policies. In addition, due to differences of view within the U.S. Government, its policies are often inconsistent and lack continuity. The U.S. Government permits itself to compel Western Europe to halt the natural gas pipeline deal with the Soviet Union, yet it has itself lifted the embargo on grain for the Soviet Union, out of concern for its own interests.

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PRC INTERNATIONAL AFFAIRS
UNITED STATES

How could Western Europe not be discontented with and counteract this U.S. attitude of disregarding its equal partner relationship with its Western European allies, persistently considering itself the overlord and imposing its views on others?

Of course, while the disputes between the United States and Europe sometimes become extremely acute, nevertheless they have a common basic strategic interest in countering Soviet military expansion and threats. The disputes between them are bound to be constrained by this strategic interest. It seems that the disputes between them will continue to develop, sometimes at a high pitch and sometimes at a low one. The U.S. attitude toward Western Europe will be the key factor in this respect.

KOREAN REUNIFICATION PARTY MARKS STATEMENT DATE

OWO61256 Beijing XINHUA in English 1228 GMT 6 Jul 82

[Text] Pyongyang, July 6 (XINHUA) -- The South Korean Revolutionary Party for Reunification condemned the United States for undermining the process of peaceful reunification of Korea. The condemnation was contained in a white paper released by the Central Committee of the party on July 4 marking the 10th anniversary of the publication of the North-South joint statement, reported NODONG SINMUN today.

The white paper said the joint statement whose core is the three principles -- independence, peaceful reunification and great national unity -- broke through the barrier of the Military Demarcation Line and gave an expression to the aspiration and will of all the compatriots for reunification. However, the United States had turned down the three principles and tried everything possible to prevent a solution to any problem between the North and the South.

The white paper repudiated as an attempt to create "two Koreas" the United States schemes for a simultaneous admission to the United Nations by both the North and the South, and a crisscross recognition of the North and the South by major powers.

It accused the U.S. of being wholly responsible for the unsuccessful North-South dialogue and the failure of the Korean people to end the partition of the country despite their efforts for reunification. The U.S. has trampled on the charter of the whole Korean nation for reunification -- the North-South joint statement -- and undermined the North-South dialogue. From their practices, the South Korean people have come to know that it is impossible to realize the fatherland's reunification under the occupation and colonial rule of the United States.

The white paper called on the South Korean people to unite and smash the scheme of the U.S. and the South Korean authorities to create "two Koreas", and fight for the realization of the reunification of the fatherland.

AFRICAN CONFERENCE SUPPORTS KOREAN REUNIFICATION

OWO31907 Beijing XINHUA in English 1837 GMT 3 Jul 82

[Text] Lome, July 2 (XINHUA) -- An African governmental conference supporting the independent and peaceful reunification of Korea was held here between July 1 and 2. The conference condemned the United States for its military occupation of South Korea and putting obstacles to the independent and peaceful reunification of Korea. It called upon countries all over the world to give support to the Korean people's just struggle for the independent and peaceful reunification of their country. Delegates from about 30 African countries and the visiting Korean Vice-President Pak Song-chol attended the conference.

At the opening ceremony, Pak Song-chol read out a letter to the conference from President Kim Il-sung.

The conference unanimously adopted an appeal to governments, democratic forces and all countries in the world calling on them to:

1. Support the Democratic People's Republic of Korea in its just efforts to strive for national unification by setting up a Democratic Confederal Republic of Koryo.

2. Respect and defend the Korean people's right to self-determination to realise the country's independent unification without any outside interference. The United States must immediately withdraw its troops from South Korea and abandon all its activities aimed at hindering Korea's peaceful reunification.
3. Express deep concern over the grave situation on the Korean Peninsula, and continue to make efforts to eliminate all the factors that aggravate the tense situation and increase the danger of war. The continued expansion of military strength and military maneuvers should be stopped forthwith in South Korea.
4. Show concern over South Korea's trampling on human rights and help remove the obstacles that prevent the South Korean people from realising social democracy and state reunification.
5. Oppose all the attempts to divide Korea forever and to create "two Koreas."
6. Launch a vigorous campaign in all parts of the world to support Korea for a speedy realization of its unification.

DISTORTION IN JAPANESE HISTORY TEXTBOOKS CITED

OW261816 Beijing XINHUA in English 1640 GMT 26 Jun 82

[Text] Tokyo, June 26 (XINHUA) -- The distortion of history to prettify Japanese aggression against China in high and primary school textbooks censored by the Japanese Education Ministry has aroused wide concern among the mass media here. The news was prominently featured in many newspapers here today.

ASAHI SHIMBUN said, "The textbooks have further restored the version of 'the state in the pre-war period' and wordings like 'aggression' have been moderated." MAINICHI SHIMBUN said the revised textbooks "smell of a tendency to return to 'the war period.'"

The textbooks revised and approved finally on June 25 by the Japanese Education Ministry will be used by high school students and primary school pupils in the academic year starting from spring, 1983. In the process of censorship, it was reported, many "critical narrations" about the Japanese aggression were cut out or revised in order to justify Japan's past and affirm its status quo. The distortion of historical incidents during the various Japanese aggressive wars against China has aroused special concern.

For example, the surprise attack launched by Japanese warships against the Chinese Navy in 1894 has been changed into "a naval battle" between the fleets of Japan and the Qing Dynasty by the censors. The "incident of September 18" in 1931 when the Japanese Army invaded northeast China (Manchuria) has been described as the Japanese Army's "bombardment of some sections of the railway in south Manchuria." And Japan's "full-scale aggressive war against China" in 1937 has been turned into a "full-scale offensive against China." This kind of alterations in the textbooks have been made deliberately, the Japanese newspapers pointed out.

Compilers of the part on "politics and economy" said it was apparent that the censors wanted to have the pre-war system reappraised and affirmed during the revision of the textbooks. They seemed to want to leave the impression that "the pre-war Japan was not so bad and today's Japan is at its best," they said.

Many compilers of the textbooks got the impression -- "turn right and cultivate the rightist ideas," a newspaper commentary said.

RENMIN RIBAO REPORTS SRV GOVERNMENT CHANGES

HK020530 Beijing RENMIN RIBAO in Chinese 30 Jun 82 p 6

[XINHUA report: "Vietnamese Council of State Reshuffled"]

[Text] The Third Session of the Seventh National Assembly of Vietnam published a communique on 28 June, announcing the dismissal of Xuan Thuy from the posts of vice chairman and secretary general of the Council of State and the dismissal of Nguyen Thanh Le from the posts of member of the Council of State and chairman of the State Foreign Affairs Commission.

At the fifth congress of the Vietnam Communist Party [VCP] at the end of last March, Xuan Thuy (who was previously a member of the VCP Central Committee and a secretary of the VCP Secretariat) and Nguyen Thanh Le (who was previously a member of the VCP Central Committee and director of the International Liaison Department of the VCP Central Committee) failed to be reelected to the VCP central leading organ.

At the third session of the Seventh National Assembly of Vietnam, which was held 23-28 June, Le Thanh Nghi, vice president of the Council of State, was elected to concurrently hold the post of secretary general and Huynh Tan Phat was elected vice president of the Council of State. Before this, the Council of State decided to relieve Huynh Tan Phat of the posts of vice chairman of the Council of Ministers and chairman of the state Capital Construction Commission. During the session, Vo Quang was elected member of the Council of State and concurrently chairman of the State Foreign Affairs Commission and Duong Quoc Chinh was named chairman of the state public health and social commission, succeeding Nguyen Thi Dinh.

The Council of State of Vietnam is the supreme organ of the National Assembly that carries out its day-to-day activities and it is, at the same time the collective chairman of the Socialist Republic of Vietnam.

VODK EDITORIAL STRESSES KAMPUCHEA'S LIBERATION

OW061230 Beijing XINHUA in English 1219 GMT 6 Jul 82

[Text] Beijing, July 6 (XINHUA) -- The Kampuchean patriotic forces are determined to implement the declaration of the formation of the Democratic Kampuchean Coalition Government and drive the Vietnamese aggressors out of Kampuchea, says radio Democratic Kampuchea in an editorial today.

The editorial says the declaration has the support of the Kampuchean people of all nationalities for it reflects their ardent aspirations.

The Kampuchean people and the three parties signatory to the declaration, it points out, should regard the declaration as a sacred law and constitution, and close their ranks to strengthen the fight against the Vietnamese aggressors in the military, political and diplomatic fields until all the Vietnamese aggressors are forced to withdraw from Kampuchea.

It urges the Kampuchean people to remain vigilant against and defeat Vietnam's attempt to split the Kampuchean patriotic forces.

NEW BURMESE ENVOY INSTALLED; TIES REVIEWED

Credentials to Ulanhu

OW300721 Beijing XINHUA in English 0705 GMT 30 Jun 82

[Text] Beijing, June 30 (XINHUA) -- U Aung Win, newly-appointed Burmese ambassador extraordinary and plenipotentiary to China, this morning presented his credentials to Ulanhu, vice-chairman of the Standing Committee of the National People's Congress.

Wu Xueqian, Chinese vice-minister of foreign affairs, was present on the occasion.

Meeting With Huang Hua

OW070736 Beijing XINHUA in English 0723 GMT 7 Jul 82

[Text] Beijing, July 7 (XINHUA) -- Chinese State Councillor and Minister of Foreign Affairs Huang Hua met and had a cordial conversation here today with new Burmese Ambassador to China U Aung Win.

Review of Burmese-PRC Ties

OW061320 Beijing XINHUA in English 1256 GMT 6 Jul 82

["Round-up: Burma Develops Friendly Relations With Neighboring Countries" -- XINHUA headline]

[Text] Rangoon, July 6 (XINHUA) -- Burma has in recent years developed relations with various countries, particularly its neighbors, by following an independent and active foreign policy.

In relations between states, Burma sticks to the five principles of peaceful co-existence and opposes threat of force and aggression against other countries. Burmese Foreign Minister U Chit Hlaing said last April that his country did not intend to act as an intermediary in the Kampuchean conflict, and he reiterated Burma's position of opposing stationing foreign troops in any other country's territory.

Special attention is paid to developing relations with its neighbors. Since the beginning of this year, the Burmese Government has sent its foreign Minister U Chit Hlaing and Minister for Cooperatives U Sein Tun to visit Thailand, Singapore, Indonesia and Malaysia, and has entertained Thailand's deputy prime minister and foreign minister and former Bangladesh President Abdus Sattar.

In the spirit of friendship and mutual understanding, Burma has positively resolved border problems with neighboring countries. An agreement on the delimitation of maritime boundary between Burma and Thailand in Andaman Sea was signed on July 25, 1980. The instruments of ratification were exchanged by the two sides during Burmese foreign minister's visit to Thailand this year.

Burma and Bangladesh signed a boundary agreement on May 23, 1979 during the state visit of Burmese President U Ne Win to Bangladesh. A memorandum relating to the demarcation of the land boundary between Burma and Bangladesh was signed by the two countries during Bangladesh foreign secretary's visit to Rangoon.

Burma has also strengthened friendly relations with its neighboring countries in the fields of trade, culture, education and sports.

The traditional friendship between China and Burma has been promoted. Former Burmese President U Ne Win once again visited China in October 1980. Chinese Premier Zhao Ziyang visited Burma after he took office last year. Economic and cultural relations between China and Burma have also seen new development. The forthcoming visit by Burmese Foreign Minister U Chit Hlaing to China is sure to promise the existing friendship between the two countries.

RENMIN RIBAO ON SOVIET 'DILEMMA' IN AFGHANISTAN

HK070804 Beijing RENMIN RIBAO in Chinese 3 Jul 82 p 6

[Article by Liang Li (2733 7787) "Summer in Panjsher Valley"]

[Text] It has been particularly arid and scorching hot in Afghanistan's Panjsher Valley this summer. There are no thick branches and leaves here to cover the sun from view nor are there any crystal-clear fountains to quench one's thirst. The valley has constantly reverberated with the roar of firearms, guns, engines and motors. Since this spring, Soviet troops and the troops of the Karmal regime have waged the most vigorous offensive against guerrilla forces throughout Afghanistan. This was the most vigorous offensive ever waged since the Soviet incursion into Afghanistan. Panjsher Valley, which lies 100 km to the north of Kabul, has been the cockpit of this offensive. This is because Panjsher Valley is an important base of the Afghan guerrilla forces. They have thrown in more than 10,000 troops and large numbers of planes and tanks. First they sent more than 100 planes to "carpet bomb" the valley in waves for 5 days. Then helicopters dropped members of a Soviet shock brigade to mountain strongholds in the hope of wiping out this guerrilla base in one offensive.

The Afghan guerrillas, who laid in wait behind mountain precipices to ambush the enemy, adopted the tactics of luring the enemy deep into their territory, leading the enemy troops into the valley, using artificial landslides to cut off the enemy's retreat and then encircling and wiping out the enemy troops. Some guerrillas dug small caves on hilltops and hid themselves in the caves. When enemy tanks were near, they used rocket launchers to attack the tanks. Some other guerrillas feigned death under the scorching sun and then shot down unguarded helicopters. During a single battle in late May, the guerrillas shot down 20 enemy planes, destroyed several dozen tanks and armored cars and wiped out several hundred enemy troops. In mid-June, the Soviet aggressor troops and the Karmal troops occupied certain areas in the valley, which is 160 km long. The Karmal regime then recruited 1,000 members of the People's Democratic Party and sent them to the valley to carry out appeasement work. Most of them were young people, including some who were only 15 years old. Prior to the televising of a filmed report on the brazenly advertised sendoff meeting for the members, the guerrillas had already ambushed and killed many of them in the hungle neighboring Golbahar, which is 32 km from Kabul. Witnesses said that they saw 23 trucks piled with dead bodies of Soviet and Karmal troops.

At present, Soviet troops in Panjsher Valley are caught in a dilemma: If they withdraw, it will mean a great loss of face to them; if they stay and continue fighting in the valley, they will suffer heavier casualties. To the Soviet aggressor troops and their lackeys, it is really very difficult to hold out during the seemingly endless summer in the valley!

INDIAN PETROLEUM STUDY GROUP LEAVES FOR CHENGDU

OW020750 Beijing XINHUA in English 0722 GMT 2 Jul 82

[Text] Beijing, July 2 (XINHUA) -- An Indian petroleum study group led by Colonel S.T. Wahi, chairman of the Indian Oil and Natural Gas Commission, left here today for Chengdu, southwest China, to inspect a natural gas field before returning home. Tang Ke, Chinese minister of petroleum industry, met with all members of the group yesterday. They had a friendly conversation on scientific and technological exchanges in this field between China and India. Indian Ambassador to China K.S. Bajpai was present on the occasion. The Indian group arrived in Beijing June 21. The guests have visited Daqing, China's largest oilfield, a drilling rig on the Bohai Sea, and an oil refinery under the Yanshan General Petrol-Chemical Corporation in Beijing.

REAGAN AGREEMENT ON TROOPS TO LEBANON CITED

OW070818 Beijing XINHUA in English 0753 GMT 7 Jul 82

[Text] Washington, July 6 (XINHUA) -- President Reagan said today that in response to an informal suggestion by the Lebanese Government, he has agreed "in principle" to send a "small contingent" of U.S. troops to Lebanon to help evacuate Palestine Liberation Organization forces from west Beirut. Reagan was speaking in Los Angeles to a group of local officials and briefed them on the decision.

White House deputy spokesman Larry Speakes revealed earlier today that the decision, made by Reagan on Friday night, was first leaked by Israel today. Israel has all along requested U.S. participation in a permanent peace-keeping force in south Lebanon, although, Speakes said, "U.S. participation is not a part of that." What is being discussed is the temporary presence of U.S. forces, he added.

Speakes indicated that the U.S. contingent, if needed, would be 800 to 1,000 combat marines. He said their mission would be "to assist the Lebanese Armed Forces in overseeing the orderly and safe departure from Beirut of armed personnel and to assist in the transition to the Lebanese Government authority in Beirut." The stay of U.S. troops in Beirut would be "comparatively brief" and administration officials estimated it would be no more than 30 days, he said. Speakes indicated that conditions for sending these troops include "acceptance by all parties" to the arrangement and assurance for the safety of American troops.

The United States has been trying to make use of the situation created by Israel's brutal invasion of Lebanon. In announcing the decision of U.S. readiness to dispatch troops to Lebanon, Speakes said U.S. objectives in Lebanon "remain unchanged." They are: "the establishment of a strong central government in Lebanon, withdrawal of all foreign forces from Lebanon, restoration of control by the Lebanese Government throughout the country, assurances that we would not return to the status quo ante when Lebanon was used as a launching pad for attacks against Israel, and, finally, a permanent cessation of hostilities."

During the last several days, U.S. special presidential envoy Ambassador Habib has been engaged in "intensive negotiations" in the Middle East to achieve peace in Lebanon.

Key U.S. congressional leaders have been consulted on the matter and reaction is reported divided. Senate Majority Leader Baker said: "I do not feel it would be wise to introduce some American fighting men into the Middle East." Senate Armed Service Committee Chairman Tower indicated if all parties to the conflict in Lebanon have arrived at an agreement and peace and stability can be restored in the area by American military presence, he would strongly support it.

BENIN AMBASSADOR PRESENTS CREDENTIALS TO ULANHU

OW300732 Beijing XINHUA in English 0707 GMT 30 Jun 82

[Text] Beijing, June 30 (XINHUA) -- Cosme Deguenon, newly-appointed Benin ambassador extraordinary and plenipotentiary to China, this morning presented his credentials to Ulanhu, vice-chairman of the Standing Committee of the National People's Congress. Wen Yezhan, Chinese vice-minister of foreign affairs, was present on the occasion.

FURTHER ON CPPCC DRAFT REVISED CONSTITUTION

Ulanhu Presides Over Meeting

OWO31118 Beijing XINHUA Domestic Service in Chinese 1155 GMT 2 Jul 82

[Text] Beijing, 2 Jul (XINHUA) -- The 19th meeting of the Standing Committee of the 5th CPPCC National Committee opened this morning at the CPPCC Auditorium. The major items on the agenda of the meeting are: to discuss the "draft revised CPPCC constitution," and to adopt a resolution on delivering the draft revised constitution to the CPPCC National Committee and local CPPCC committees at various levels to widely solicit opinions.

Ulanhu, vice chairman of the CPPCC National Committee, presided over today's meeting. Entrusted by the CPPCC Constitution Revision Committee, Liu Ningyi, secretary general of the committee, made a report to the meeting on the work of the CPPCC constitution revision committee in the past year or more and gave some explanations on the draft revised constitution.

At the meeting, the General Office of the CPPCC National Committee presented a written report on organizing CPPCC members on visits and inspection tours and conducting special investigations. The CPPCC Motions Examination Committee made a written report on its work since the fourth session of the Fifth CPPCC National Committee.

CPPCC National Committee Vice Chairmen Liu Lantao, Lu Dingyi, Xu Deheng, Kang Keqing, Ji Fang, Wang Shoudao, Zhou Jianren, Hu Ziang, Rong Yiren, Hu Yuzhi, Wang Kunlun, He Changgong, Yang Xiufeng, Zhou Peiyuan, Qian Changzhao and Dong Qiwu attended the meeting. Responsible persons of concerned departments of the CPP Central Committee and the State Council and CPPCC committees of provinces, autonomous regions and municipalities directly under the central government attended the meeting as observers.

The meeting began group discussions this afternoon.

Discussions Proposed

OWO52324 Beijing XINHUA Domestic Service in Chinese 1137 GMT 5 Jul 82

[Text] Beijing, 5 Jul (XINHUA) -- The 19th session of the Standing Committee of the CPPCC National Committee held a plenary meeting this morning at the CPPCC Auditorium. The meeting discussed the "draft revised CPPCC constitution" and decided to send this draft to the CPPCC National Committee and local CPPCC committees at various levels for discussion.

At today's plenary meeting, representatives of various groups reported on proposals and opinions put forward at group discussions on the draft revised CPPCC constitution. All the groups held that the draft was quite satisfactory and could be used as the basis for further revision. They proposed that it be sent to the CPPCC National Committee and local CPPCC committees at various levels for discussion. The members present unanimously adopted a resolution on sending the draft revised CPPCC constitution to the CPPCC National Committee and local CPPCC committees at various levels for discussion. The resolution requests that suggestions for revision by CPPCC National Committee members be delivered to the secretariat of the CPPCC Constitution Revision Committee before the end of September of this year and that suggestions by local CPPCC committees at various levels be collected by CPPCC committees of provinces, autonomous regions and municipalities directly under the central government and sent to the secretariat of the CPPCC Constitution Revision Committee before the end of September of this year so that further revisions can be made by the CPPCC Constitution Revision Committee.

Vice Chairman Hu Ziang presided over today's plenary meeting. Vice Chairmen Liu Lantao, Lu Dingyi, Xu Deheng, Wang Shoudao, Zhou Jianren, Rong Yiren, Hu Yuzhi, Wang Kunlun, He Changgong, Yang Xiufeng, Zhou Peiyuan, Qian Changzhao and Dong Qiwu attended the meeting. Responsible persons of central departments concerned and CPPCC committees of various provinces, autonomous regions and municipalities directly under the central government attended the meeting as observers.

Committee Adjourns 6 Jul

OW061706 Beijing XINHUA in English 1603 GMT 6 Jul 82

[Text] Beijing, July 6 (XINHUA) -- The Standing Committee of the Fifth National Committee of the Chinese People's Political Consultative Conference adjourned Tuesday with action on several issues including the committee's new constitution and appointment of new members.

The committee was addressed by C.P.P.C.C. Vice-Chairman Liu Lantao, who presided over today's meeting.

The session adopted a resolution to submit the "draft of the revised constitution of the C.P.P.C.C." to the members of the C.P.P.C.C. National Committee and local committees across the nation for discussion and further revisions.

Liu Lantao said the recent expansion of the C.P.P.C.C. National Committee from 1,199 five years ago to 2,054 this year demonstrates the consolidation and development of the patriotic united front. He called on the committee to continue to improve its performance in the future.

He said a new secretary general for the committee will be elected by the plenary session of Sixth National Committee of the C.P.P.C.C., to be held sometime later this year. Deputy secretaries general, whose numbers have been decided to reduce from 18 to 14, and 6 new ones were appointed now by the standing committee as 8 others remained in office.
[sentence as received]

He said the appointments and removals should be made with regard to the need for younger, better educated and professionally competent leaders. The C.P.P.C.C., he said, is led by the Communist Party and comprised of representatives from not only the party, but also the eight democratic parties, people's organizations and a number of nonparty people.

Of the 14 deputy secretaries, six have been newly appointed, and a reduction of average age effected. The proportion of democratic party members and nonparty people has also increased.

The new appointees are Yang Zhengmin, former vice-minister of building materials industry and member of the Standing Committee of the C.P.P.C.C. National Committee; Luo Hanxian, member of the Standing Committee of the Central Committee of the Democratic League and its deputy secretary general; Cheng Siyuan, Standing Committee member of the C.P.P.C.C. National Committee and nonparty personage; Fang Rongxin, Standing Committee member of the Chinese Peasants and Workers Democratic Party and its secretary general; Zhang Jingli, vice-chairman of the All-China Federation of Industry and Commerce; and Wang Yantang, former Chinese diplomat in Egypt.

The meeting also appointed Luo Hanxian director of the General Office of the C.P.P.C.C.

The meeting heard a report by Zhou Peiyuan on the visit to Japan of the C.P.P.C.C. National Committee delegation.

Attending today's meeting were Vice-Chairmen of the C.P.P.C.C. National Committee Ulanhu, Xu Deheng, Kang Keqing, Ji Fang, Wang Shoudao, Hu Ziang, Rong Yiren, Hu Yuzhi, Wang Kunlun, He Changgong, Xiao Ke, Yang Xiufeng, Burhan Shahidi, Qian Changzhao and Dong Qiwu.

Leaders of other central and state departments and of all provincial, municipal and autonomous regional committees of the C.P.P.C.C. also attended as non-voting delegates.

Text of General Program

HK061512 Beijing XHONGGUO XINWEN SHE in Chinese 1350 GMT 6 Jul 82

[Text] Beijing, 6 Jul (ZHONGGUO XINWEN SHE) -- The text of the general program of "the draft of the revised CPPCC constitution" submitted for examination and approval at the 19th session of the Standing Committee of the 5th CPCC National Committee is as follows:

The General Program

In the course of the protracted revolution and construction, the Chinese people formed a united front led by the CCP and made up of all democratic party personages and nonparty democratic personages and people's organizations, which includes all socialist working people and all patriots who support socialism and the reunification of the motherland.

The CPCC is an important organization of the united front of the Chinese people. In September 1949, the first plenary session of the CPPCC executed the authority of the NPC and proclaimed the founding of the PRC on behalf of the will of the people throughout the country. It displayed a historic role. Since the commencement of the First NPC in 1954, the CPCC has continued to carry out many important tasks and make great contributions to the political and social life of our country. In the future, the CPPCC will further exemplify its important role in the struggle of building the socialist modernization, and safeguarding the unity of our country and the peace of the world.

Following 30-odd years' struggle, people of all nationalities in our country have eliminated the exploiting system and established the socialist system. The social class situation of our country has undergone a fundamental change. The worker-peasant alliance has become more consolidated. The great majority of intellectuals have already been a part of the working class and, like workers and peasants, have become a force on which the socialist cause relies. The landlords and rich peasants as a class have been eliminated; the capitalist class no longer exists; the great majority of people who originally belonged to the exploiting class have become laborers who live on their own toil. All democrats who have made important contributions to the cause of the people's revolution and construction have become a part of the political alliance of socialist workers and patriots supporting socialism. All nationalities throughout the country have established a socialist nationality relationship of equality, unity and mutual assistance. Patriots of religious circles have made very great progress. Compatriots in Taiwan, Hong Kong and Macao and Overseas Chinese abroad have fervently cherished the motherland, supported the unification of the motherland and the construction cause of the motherland. In the new historical period, the united front of our country has been more consolidated and developed even more. It still has strong vitality and is still a magic weapon of the Chinese people in achieving solidarity, militancy and the construction of the motherland.

In our country, after the elimination of the exploiting class, due to internal and external conditions class struggle will protractedly exist within a certain scope and the Chinese people will carry out their long-term struggles against hostile forces and elements both at home and abroad. However, class struggle is no longer the main contradiction in the society of our country. The main contradiction which our country should solve is the contradiction between the growing material and cultural needs of the people and the backward social production. Therefore, the fundamental task of people of various nationalities in our country is to build our country into a socialist state with modern industry, agriculture, national defense and science and technology and a high level of democracy and civilization. On the political basis of loving the PRC and supporting the leadership of the CCP and the socialist cause, the CPPCC should further develop the patriotic united front, bring all positive factors into full play, unite with people who can be united and pool the wisdom and efforts of everyone to maintain and develop the political situation of stability and unity with one heart and mind and strive for the fulfillment of the fundamental tasks of the people of various nationalities.

To attain this objective of struggle, the CPPCC should stick to the principle of the long-term coexistence and mutual supervision between the CCP and various democratic parties. It should carry out political consultations concerning important problems such as the main guiding principles of the state, socialist modernization, the livelihood of the masses and so forth and bring its democratic supervisory role into play by carrying out criticism and putting forth proposals. The CPPCC should take the PRC Constitution as the fundamental norm of all its activities.

CPPCC DISCUSSES DRAFT REVISED PRC CONSTITUTION

OW032210 Beijing XINHUA Domestic Service in Chinese 1154 GMT 29 Jun 82

[Excerpts] Beijing, 29 Jun (XINHUA) -- The CPPCC National Committee today held its 5th special discussion meeting on the draft revised constitution.

Today's discussion meeting was presided over by Kang Keqing, vice chairman of the CPPCC National Committee.

Han Ying, member of the Standing Committee of the CPPCC National Committee and first secretary of the CYL Central Committee, said: Stipulations in the draft revised constitution on citizens' basic rights and duties conform to the historical trend of the times and reflect the wishes of the masses of the people. The people long for freedom and ardently love freedom, and so the draft revised constitution gives the people ample freedom. However, some comrades, particularly some young comrades, see citizens' freedom as meaning "I can think, speak and act in whatever way I want to." This is wrong and harmful. Giving citizens freedom does not amount to allowing them to have their own way and do as they please. Freedom cannot be equated with "liberalization" and "liberalism." What we mean by freedom is the freedom of the majority. This freedom must be in keeping with the overall interests of socialism and with the wishes of the vast majority of people. In stressing democracy and freedom, we cannot depart from the great majority of the masses and from the four fundamental principles because, if we do so, we inevitably will cause certain harm to production order, work order and social order and in some way affect stability and unity.

He then pointed out: The present trend of liberalization in society has a certain impact on young people. We must not treat this lightly.

Huang Ganying, member of the Standing Committee of the CPPCC National Committee and vice chairman of the national women's federation, reported at the meeting on discussions of the draft revised constitution by women in various circles and localities throughout the country.

Hu Ziyang, member of the Standing Committee of the CPPCC National Committee, said: The fact that at present the people of all nationalities throughout the country are discussing the draft revised constitution is in itself a manifestation of the fundamental system of our socialist country under which all power belongs to the people.

Religious Freedom, Nationalities

OW041840 Beijing XINHUA Domestic Service in Chinese 1153 GMT 1 Jul 82

[Excerpts] Beijing, 1 Jul (XINHUA) -- The CPPCC National Committee held its 6th discussion meeting on the draft revised constitution this morning at the CPPCC Auditorium. Members present had a serious discussion on provisions in the draft revised constitution concerning nationalities and religious questions.

The members present at the meeting held that the provision on freedom of religious belief is conducive to the implementation of policies on religions, to the unity between believers and nonbelievers among the people, and the unity of all our nationalities, and to arousing the enthusiasm of the masses of religious believers.

Zhao Puchu, Standing Committee member of the CPPCC National Committee and president of the Buddhist Association of China, said: Based on the historical experience in religious work since the founding of the People's Republic and absorbing the reasonable suggestions from religious patriots, the draft revised constitution has restored the 1954 Constitution article which says that citizens of the People's Republic of China enjoy freedom of religious belief. This reflects the fact that the party and government respect and protect religious freedom, pay attention to correct opinions from people of religious circles and care for the masses of religious believers.

Yan Jiale, member of the CPPCC National Committee and vice president of the Christian Council of China, said: The provision in the draft revised constitution -- "the state protects legitimate religious activities. No one may use religion to carry out counter-revolutionary activities or activities that disrupt public order, harm the health of citizens or obstruct the educational system of the state," -- is very important.

Yang Gaojian, member of the CPPCC National Committee and vice chairman of the Chinese Patriotic Catholic Association, said: The draft revised constitution stipulates that "no religious affairs may be dominated by any foreign country." This safeguards China's independence and dignity and at the same time guarantees the sovereignty of our churches. It is really fair and reasonable and in line with realities. At present, a very small number of people at home and abroad are engaged in sabotage activities under a religious cloak. This has gone entirely beyond the limits of religious matters and can never be tolerated.

On the nationality question, Wen Zhengyi, Standing Committee member of the CPPCC National Committee and vice minister of the State Nationalities Affairs Commission, said: Our country is a unitary multinational country. Equality and unity of nationalities are our basic principles for handling nationality issues.

An Shiwei, Standing Committee member of the CPPCC National Committee and vice president of the Islamic Association of China, said: The provisions in the draft revised constitution on nationalities are in line with the desire of the people of all our nationalities to achieve equality among the nationalities.

Burhan Shahidi, vice chairman of the CPPCC National Committee, presided over today's meeting. Weng Dujian, member of the CPPCC National Committee and research fellow of the Nationalities Institute of the Chinese Academy of Social Sciences, and Zheng Guo, member of the CPPCC National Committee and vice president of the Buddhist Association of China, also spoke at the meeting.

TWO HENAN PARTY BRANCHES EXAMINED, PRAISED

Liuzhang Party Branch

HK020339 Beijing RENMIN RIBAO in Chinese 30 Jun 82 p 3

[Article by investigation group composed of Henan Provincial CCP Committee Policy Study Office and Organization Department, provincial agricultural committee, Xinxiang Prefectural CCP Committee and Xinxiang County CCP Committee Organization Department: "How the Liuzhuang Brigade Party Branch Leads the Masses To Get Rich Collectively"]

[Text] Liuzhuang brigade of Qiliying commune in Henan Province is situated in an old course of the Huang He on the North Henan Plain. The brigade has 1,904 mu of farmland and 207 households with 1,230 people and 580 full and part-time laborers. The brigade has a party branch, and there are 68 party members.

This place was an alkaine, sandy waste before liberation. Liuzhuang was said to be the poorest village for miles around. After liberation, the brigade party branch led the masses to clear away all kinds of interference, get a relentless grasp of production and construction and advance step by step along the socialist road. In the 1950's this brigade became one of the progressive units on the national agricultural front; since the third plenary session, Liuzhuang's economic construction has speeded up still more.

Its total output value has doubled in 3 years and average income per person has exceeded \$1,000. The brigade has become "comfortably well-off."

The key to such a rapid change in Liuzhuang's state lies in its strong party branch. The brigade party branch regards developing production and improving the masses' living standards as an important hallmark of the success of party branch work. It has launched the party members and masses to work unwearingly for this common aim. Its main experiences are as follows:

1. The party branch has a clear-cut work focus and target of endeavor. It bases its efforts on reality and correctly implements the party principles and policies.

The Liuzhuang brigade party branch has realized from studying the party's program and in the practice of struggle over many years that the fundamental aim of our party in leading the masses to make revolution and carry out construction is not just to eliminate the exploitation system but also to develop production and improve the masses' living standards. It is no use talking about eventually attaining communism if production and construction cannot be promoted. In accordance with this belief, they have led the masses to get a relentless grasp of production and construction. This activism of the brigade party branch came under very great pressure during the 10 years of turmoil. Since the smashing of the "gang of four," and especially since the third plenary session, the minds of the party branch and the peasants have been emancipated and they have felt particularly "gratified" over the series of Central Committee principles and policies for speeding up agricultural development. They have repeatedly studied the two central documents on agriculture and focused on carrying out two reforms in light of the brigade's realities: first, they have established production responsibility systems and put them on a sound basis. At that time some places proposed that "the best method is assignment of full responsibilities to the households." Liuzhuang party branch did not come to a hasty decision, but instead allowed the party members and masses to start by analyzing the productive force on the brigade and contrast the various types of production responsibility systems before making a choice. They analyzed the various characteristics of the brigade. First, the collective economy was strong, there were numerous items of industry and sideline production and diversification, and the mechanization capacity was strong; this relatively advanced level of productive force and comprehensive scope of production was not suited to further decentralization, but rather to unified management; second, as a result of many years of probing, there were relatively good labor organization and management methods on the brigade, while the cadres were capable of organizing collective production, honest in performing their official duties, and trusted by the masses; third, the peasants received relatively high collective income and were relatively satisfied with existing management methods. At the same time a number of proposals were made for improving certain egalitarian factors in the original system of "assessing awards for overfulfilling quotas." On the basis of unifying thinking within the party and holding full discussions among the masses, in accordance with the characteristics of the different branches of production, the brigade set up 6 specialized and 12 production units and universally instituted the production responsibility system of "unified management, specialized production, division of work and cooperation, and rewards and penalties linked to production." In the second reform, the brigade readjusted the structure of agricultural production and opened up broad avenues for production. They further broke through the framework of a single-product economy, operated, on a trial basis, comprehensive management of agriculture, industry and commerce, expanded paper-making and other brigade-run industries, vigorously developed animal husbandry, set up a food processing plant, and initially instituted a coordinated process of production, supply, and marketing. In the wake of these two reform measures, the brigade advanced 3 big steps in 3 years. Total income from the collective economy rose from 1.25 million yuan in 1978 to 2.52 million yuan in 1981. This represented an average annual increase of 26.1 percent. Average income per person from the collective economy increased by 26.3 percent in each of these 3 years; total grain, cotton and oil deliveries to the state, converted into grain, rose by an average of 4.8 percent a year; and the collective accumulation rose by an annual average of 11.2 percent. The speed of development since the third plenary session is unprecedented since the founding of the state.

Persistently seeking truth from facts and basing everything on reality is an important experience in the continuous advance of Liuzhuang brigade amid struggle. They call this experience "it is necessary to form one's own judgment when encountering problems, and not just follow the wind."

When the advanced cooperative was set up in 1956, some comrades held that the bigger this cooperative, the better, and they wanted to amalgamate 10 or 20 elementary cooperatives in 7 natural villages. Brigade party branch secretary Comrade Shi Laihe consulted with the peasants. They held that a big cooperative could not be managed well, and decided to amalgamate three cooperatives of Liuzhuang village into one advanced cooperative. At the time higher authority did not recognize this, and the Liuzhuang advanced cooperative spent half a year sitting on a "cold bench." After a year of practice, it was found that the big cooperatives could not go on operating, and they were divided into small cooperatives, whereas Liuzhuang advanced to the front rank in production.

During the 10 years of turmoil, Lin Biao and the "gang of four" vigorously criticized the "theory of productive force," and preached absurdities such as "better to have socialist weeds than capitalist crops." The party branch then held a study class for the party members and cadres and launched a big debate on "whether weeds or crops are preferable;" as a result their resolve to grasp production was strengthened. No matter how great the turmoil elsewhere, Liuzhuang got on with production as usual.

After the third plenary session, they followed the orientation guided by the Central Committee and set up production responsibility systems in light of local conditions, thus doubling production in 3 years. When comrades from other places saw party branch Secretary Shi Laihe, they said to him: "You have stood firm again, Old Shi." Comrade Shi Laihe said: "How do you mean, stood firm? The Central Committee has pointed out that we should institute various types of production responsibility systems, and some places have developed production by practicing the 'system of assigning full responsibility,' which is suited to their local conditions; they have thus carried out the line of the third plenary session. In light of the conditions on our brigade, we have developed production by practicing the system of unified management and specialized contracting, and this too is implementing the line of the third plenary session."

2. Teach the party members and cadres to take the lead in studying and applying science, and continually enhance understanding and the ability to transform nature.

Liuzhuang brigade is 1.5 kilometers in circumference. From many years' practice in leading the masses to grow cotton in a scientific way, the brigade party branch members have understood that with such a large area and so much land, it is necessary to rely on science and wisdom as well as on policies to create still more wealth. If the party branch leaders are laymen, the role of the branch as a strong fortress cannot be brought into full play. They have therefore attached great importance to teaching the party members and cadres to study and apply science, and have clearly pointed out: "During the years of war, the main criterion for judging whether a party member or cadre was progressive was whether he was brave in killing the enemy in battle; during the period of construction, the main criterion is whether he scores achievements in work. If the party members do not understand production science and technology, it is very hard for them to play their role as vanguards and models."

To ensure that the party members and cadres can become able hands and experts in all branches of production, the party branch has taken a whole series of measures to continually improve their professionalism and knowledge. The brigade has set up a scientific research station specifically engaged in scientific and technical experiments in agriculture, forestry, animal husbandry, and sideline occupations.

The party branch has made this rule: All cadres who join the brigade leadership group must first engage in practice in this station for 6 months to 1 year; they must learn technology, become familiar with specialized skills, and then be assigned responsibility for a specialized production undertaking in the brigade. The principal leading cadres of the brigade have taken turns in leading the brigade's six specialized production undertakings and engaging in practice thereby. In order to improve the leadership group's professionalism and knowledge, the brigade has also sent a 27 year-old deputy branch secretary to study at an agricultural college at his own expense. At present only 5 of the brigade's 100 cadres in all branches of production are rather short of specialized knowledge. Last year the brigade party branch members were given a technical examination and field test, and the great majority of them were assessed as technicians in the various branches of production. Party branch Secretary Shi Laihe, who made a name for himself as an "expert cotton cultivator," has now become an "expert in many fields" possessing many types of knowledge and experience. The disease-resistant and high-yielding Liuzhuang Nos 1, 2 and 3 finestrain cotton which he led the peasants to develop have already been demonstrated and popularized in Henan and also in fraternal provinces. Branch Deputy Secretary Li Anren worked in the cotton fields for several years observing the laws governing the activities of cotton insect pests, and has become an antipest "native expert." The peasants have made a habit of studying and applying science because the party branch has attached importance to and taken the lead in studying scientific knowledge for agricultural production.

In the wake of the development of diversification and industrial and sideline occupations, Liuzhuang has gradually formed into a composite economic unit with all trades flourishing. Production requires knowledge, and management is to an even greater extent a branch of learning. While organizing the study of science, the party branch has also organized the party members and cadres to study management. Originally this brigade only engaged in single-product operations, when its grain yields exceeded 1,000 jin per mu and its ginned cotton yield reached 170 jin per mu, but the increase in agricultural income was much lower than the growth of agricultural investment. Average distribution for the peasants hovered between 130 and 150 yuan a year for some 10 years. As a result of this situation of high output and low distribution, they understood the truth that "the rural areas cannot get rich in a century without engaging in diversification." They then started by developing animal husbandry, using grass on the bank of the Huang He to feed livestock; they bred and raised the stock themselves, and gradually expanded this undertaking. From this alone they increased income by over 200,000 yuan a year, while every month they obtained up to 1,000 dan of organic manure. As animal husbandry developed, they were unable to sell all their cow and goat milk in summer, and this compelled them to organize a milk products processing plant. While developing brigade-run industry, they have upheld the principle of "not competing with large factories for raw material, and seeking raw materials and sales outlets on the spot," and have laid special emphasis on developing agricultural and sideline product processing industries. They have processed wheat stalks, formerly used for fermenting manure, into packing paper to sell to other units realizing an annual income of several hundred thousand yuan in this way. Thus they have seriously probed and studied experience and knowledge for managing the collective economy, in the process gradually strengthening the collective economy.

3. Strengthen the building of the party branch itself, and carry forward the fine traditions of arduous struggle, being honest in official dealings, and maintaining close ties with the masses.

The comrades of Liuzhuang party branch say: "Our words will have no effect unless we are really up to the mark ourselves." In the course of strengthening its own building, the comrades of the branch have gradually established seven systems and put them on a sound basis: 1) the system of organizational life meetings. Each of the nine party groups has a monthly life meeting at which criticism and self-criticism are conducted. The party branch has a dual organizational life. 2) A system of study and of teaching party lessons.

At the monthly party branch meeting, party lessons are given, the members study current affairs and policies, and education is conducted in basic knowledge about the party and its fine traditions. 3) A system of heart-to-heart talks. The secretary, the branch members and the party members regularly hold heart-to-heart talks to exchange views and reflect the masses' demands. 4) A system of linking party members to households. Apart from doing a good job in political and ideological work in their own homes, each party member has ties with two or three peasant households, conducts propaganda for them in party principles and policies and carries out ideological work on them. 5) A system of launching the masses every 6 months to assess the party members and the party branch. 6) A system of examining the party members in connection with the drive to "create progressives and strive to be outstanding." 7) A system of annual reelection of the party branch.

The key to doing a good job in building the party organization itself lies in having the "squad members" of the party branch setting strict demands on themselves in accordance with the "guiding principles" and the criteria for party members, and playing an exemplary role in all things. The party branch members have agreed on a three-point rule in order to succeed in this respect: Don't pursue special privilege, take the lead in labor, and keep close ties with the masses. Party branch Secretary Shi Laihe fights at the head of his men. In recent years he has served as deputy secretary of the county CCP committee and also of the prefectural CCP committee, but he has not left Liuzhuang or become divorced from labor and the masses. His mother fell seriously ill in November 1976. It so happened that was the crucial moment for getting the paper-making plant into trial operation, and he worked at the plant with the peasants for 30 days. People from his family came to call him several times, but he did not go. He only went after the trial operation of the plant turned out successfully, but his mother had already breathed her last. After new houses were built, he allowed the peasants to move into them in batches first, and he himself was among the last batch. When Old Shi's child picked some peaches belonging to the brigade, and when the child of branch Deputy Secretary Zhang Xiuzhen broke off four corncocks, both Shi and Zhang conducted a self-examination before the masses. When branch Deputy Secretary Shi Shilan returned from a trip to Japan last year, he took off his formal attire and went to work in the fields right away, and also handed over to the brigade a radio he had brought back with him. When the peasants on the brigade fall ill, the cadres go to visit them; when a peasant gets married, the party branch sends cadres to the celebration; when there is a peasant funeral, cadres pay calls to condole with the family; every New Year's Eve, the brigade cadres feed the livestock on behalf of the animal keepers; when the peasants take a holiday or watch a film, the cadres look after things in their stead; and the cadres take the lead in heavy and dirty jobs. For many years no cadre of this brigade has borrowed a single yuan in public funds or made one cent from the peasants. They have completely depended on the recording of labor workpoints, and recorded every loss of working time. The cadres do not record workpoints for holding meetings or working on rainy days or festivals when the peasants do not go to work. The year-end distribution for the cadres is an average 5 to 10 percent lower than for equivalent peasant laborers.

In building the ranks of the party members, they conduct strict education for the party members and also make full use of them and bring their role into full play. The education for party members is a matter of "timely rain for the majority and letting the horse run behind for a few," and they solve ideological problems in the budding stage and do not wait for party members to make mistakes before dealing with them. Apart from that, no party member on this brigade has violated law and discipline or been punished by party or government discipline for many years. They divide the tasks and the burdens among the party members, test and steel them in actual work and also bring their role into full play. Sixty-four of the 68 party members on the brigade are responsible for various tasks inside and outside the party, and have become backbone elements in building the two civilizations. Party members without specified duties also play their role at their individual production posts. Party member Du Xuemeng, whom people call "the manager of many things," looks after the straw piles at the paper mill; all year round he uses wheat straw for a bed and the trees as shelter.

He very seldom sleeps all night through, and he eats whatever is in season. He seriously looks after the collective property. Three women party members who are rather old and have many household chores are still able to lead the old women of the brigade to look after things, wash the cotton and so on during the busy farming season.

4. Continually conduct socialist education for the peasants and persistently grasp material and spiritual civilization together.

In the practice of conducting socialist education for the masses, the Liuzhuang party branch has come up with a set of practical and effective, vivid and specific ways and means of conducting political and ideological work, and has also gradually made this a regular and systematic affairs. The party branch integrates political work with economic work and makes political work permeate every cardinal link in production, so that the masses regularly understand at every stage what they have to do and why and how they should do it. The party branch upholds the "dredging" principle, frequently conducts education and study, grasps the signs of problems and conducts timely education, and does not allow problems to pile into a heap before untying the knot. It conducts ideological work for each household and each person. The branch upholds the principle of commending many and criticizing few. The branch combines ideological education with helping the peasants solve practical difficulties, and acts as their intimate friend. The party, the CYL, the women's federation and the militia all grasp ideological work together. The CYL members and young people have launched the drive to learn from Lei Feng and become young shock hands; the peasants have launched "five-good peasant" and "five-good family" drives; there are political work cadres in the specialized production units, and the brigade also has newspaper-reading, propaganda and other political work forces. The brigade has established a rural pact welcomed by the masses. From planned parenthood, weddings and funerals to caring for the old and the young, respecting one's mother-in-law and loving one's daughter-in-law and so on, they have acted according to the demands for destroying old conventions and establishing new styles in laying down the rules, and have gradually formed a new code of socialist morality spontaneously observed by the cadres and masses.

Today Liuzhuang has achieved fine successes in building both material and spiritual civilization. The old thinking, ideology, customs and habits that had come down for several thousand years are gradually being discarded by the people, and love for the country and the collective and warm love for socialism have become beautiful virtues in the eyes of the peasants. Liuzhuang is a high-yielding grain and cotton brigade. In accordance with the demands of the state sowing plan, every year it grows 1,000 mu of cotton and 800 mu of grain. During times of hardship, they have not reduced the cotton cultivation area by a single mu; after the procurement price of cotton was raised, they did not reduce the grain area in order to grow more cotton. The comrades of the party branch say: "Our little family at Liuzhuang must not be separated from the great family of the state." For many years, apart from fulfilling their procurement quotas for agricultural and sideline products, they have also sold to the state large quantities of above-quota grain, cotton, oil, meat, eggs and so on. They have never sold one jin of cotton or grain to "middlemen." There is no market at Liuzhuang for corruption and embezzlement, profiteering, damaging the public in pursuit of private interests, and feudal superstitious activities. No peasant prays to the gods or worships Buddha. They are not extravagant in holding weddings, do not wear mourning clothes at funerals, and do not burn paper in the worship of ancestors at festivals. A new atmosphere has appeared throughout the village, with respect for the old and care for the young, unity and mutual help, civility and courtesy, and cleanliness and hygiene.

People also unanimously praise the Liuzhuang people's valuable spirit of arduous struggle and self-reliance. They say: "We can only get rich by relying on our own two hands; riches gained by relying on external assistance cannot last long."

In the wake of the development of production, they decided to start to build a new residential village in 1976. At the time the village had only one and a half part-time bricklayers and three carpenters; they lacked both materials and technical skill. They made bricks and prepared wood materials themselves, and learned the skills as they went along. Two women deputy party branch secretaries took the lead in mounting the scaffolding and learning bricklaying. In 50 days they completed the first building and also trained themselves. The number of bricklayers grew from 1 and 1/2 to 150, of whom 90 were women. The number of carpenters grew from 3 to 30. In this way they completely relied on their own resources in building a new residential village. The peasants all had new houses, and in addition over 110 mu of land was made available for farming.

As regards economic income, the people around all regard Liuzhuang as "a comfortably-off village." In 1981 the average grain yield was 1,700 jin per mu and the average cotton yield 175 jin, despite natural disasters. The brigade's income per head was 2,050 yuan, far exceeding \$1,000. Average distribution per person was 600 yuan, and the labor day was worth 3.6 yuan. During the year the brigade sold 142,000 jin of grain, 170,000 jin of cotton and over 10,000 jin of oil to the state. The public accumulation increased by 510,000 yuan and reached a total of 5.3 million yuan, 25,600 yuan per household. Every household has surplus grain and savings deposits. Total deposits for the whole village exceed 800,000 yuan, an average of 3,800 yuan per household. The collective has built 41 two-story buildings, and each peasant has an average of 23 square meters housing space. The village's 207 households possess 197 television sets, 315 radios, 265 electric fans, 609 wristwatches, 310 bicycles and 271 sewing machines. Over half the peasant households have sewing machines, and some have also bought cameras and motorcycles. The peasants enjoy free housing, water, electricity, medical treatment, schooling, nursery care, haircutting, bathing, and use of the cinema. Everyone is leading a happy socialist life.

Baizhuang Party Branch

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["Text" of investigation written by joint investigation group of Henan Provincial CCP Committee, Zhengzhou Municipal CCP Committee, and the Organization Department of the Zhengzhou Suburban CCP Committee on the work style of the Baizhuang brigade party branch: "A Strong Fighting Force in Building the Two Civilizations"]

[Text] Baizhuang brigade of Caicheng commune in the outskirts of Zhengzhou municipality, Henan Province, is a national progressive agricultural collective which was commended by the State Council in 1979. The brigade is located on an old course of the Huang He. The village consists of 130 households with 637 persons, and has 710 mu of land. This was historically a poor place crisscrossed by gullies and dotted with sandy hillocks, which suffered natural disasters 9 years out of 10 and could never guarantee reaping a harvest. This factor, plus the serious sabotage done during the Great Cultural Revolution, caused production to develop very slowly.

Since the smashing of the gang of four, and especially since the third plenary session, the party branch has seriously summed up experiences and lessons, persistently followed the principle of putting ideology to the fore in work, actively implemented the rural economic policies and followed the path of comprehensive management of agriculture, industry and commerce. Production has thus developed greatly. New achievements have been scored in building a high degree of socialist material and spiritual civilization. In 1981, the brigade achieved a yield of 1 ton of grain per mu, total collective income of 1 million yuan, average income per person of 1,570 yuan, and average distribution per person of 503.7 yuan. The working day was worth 3.15 yuan, and the peasants' grain ration was 620 jin.

At present this brigade presents a scene of stability and unity, with all rural trades flourishing. The party members and cadres are in high spirits, the peasants enjoy an affluent life, and the party style, the popular mood and the social atmosphere are better than ever before. It is a scene of liveliness and prosperity.

The following are the main reasons for such great changes on this brigade:

1. There is a strong leadership group of the party branch. Baizhuang brigade party branch has four members, all of whom have been reelected and are thus serving consecutive terms. This means that relative stability in the branch has been maintained for a long time. Party branch Secretary Bai Xichuan joined the party in 1950, and is now 53. He is the old leader of the branch. His mind is broad and emancipated, he takes the lead in practical work and has a strong sense of the cause. The two deputy secretaries are both old comrades who have been in the party more than 20 years. They understand the policies, possess technical skills and know how to manage. They are adept in production. The organizational member of the branch is young and hard-working and learns humbly and well. He is responsible for the militia and the CYL, both of which have been assessed progressive units. The bean products undertaking he has organized has increased the annual collective income by 100,000 yuan. In the process of building a new socialist Baizhuang, they have united for battle and brought into full play the role of the leadership core. They are supported and trusted by the masses.

This leadership group is able to act according to objective laws and implement party principles and policies in light of local conditions. It unswervingly follows the new path of comprehensive development of agriculture, industry and commerce. Baizhuang brigade has many people and little land. It is close to Zhengzhou municipality. There are ample manpower resources and superior conditions for running industry, sideline occupations and commerce. This superiority could not be brought into play for a long time in the past due to the bindings of leftist ideology. Since the third plenary session, the brigade has persistently based its efforts on local reality and actively implemented the party's economic policies. In 1980, under the premise of ensuring sustained increase in grain production, the brigade set up an agriculture-industry-commerce joint enterprise on a trial basis. First, the brigade vigorously developed agriculture, forestry and animal husbandry. In agriculture they adopted measures such as readjusting the cropping arrangements, growing crops according to the local conditions, practicing careful cultivation, spreading more manure, popularizing fine-strain seeds and so on, and also appropriately expanded the area of industrial crops. In fruit production, the brigade promoted scientific management and raised the fruit output and commodity rate. It switched to new kinds of miscellaneous trees and developed mulberry silkworm cultivation. In animal husbandry, the brigade grasped scientific stock-raising, increased the marketing of pigs and expanded its dairy enterprise.

Secondly, the brigade opened up all avenues for promoting industry and sideline occupations. They based the development of brigade-run industry and sideline occupations on fully tapping local resources. The original 7 items have now expanded to 20, and they employ 150 persons. In 1981 income from industry and sideline occupations was 410,000 yuan, accounting for 42 percent of the brigade's total income.

Thirdly, the brigade has opened up sales outlets for its products. Under the premise of ensuring the fulfillment of the state plans and adhering to the state's price policy, the brigade has followed the path of producing and marketing products itself. It has set up a joint enterprise supply and marketing management department and operated a shop as a joint venture with the outskirts supply and marketing cooperative. Within the city, the brigade has set up two catering service units. In this way the situation of agriculture, industry and sideline occupations being out of line with commerce has been changed, while in addition the brigade has developed production, the rural economy has been enlivened and the income of the state, the collective and the peasants has been increased.

In the past 3 years the brigade has overfulfilled the state grain procurement quota and has also provided the state with 200,000 jin of fine-strain seed, 1.5 million jin of apples, 200,000 jin of fruit wine, 180,000 jin of milk, 57,000 jin of pig products, and 2.2 million jin of bean products, with a total value of about 800,000 yuan. On average each person has made a contribution of 1,250 yuan. The collective accumulation has amounted to 587,800 yuan in 3 years. The peasants enjoy free housing, water, electricity, food, medical treatment, haircutting, baths, nursery care and schooling.

This leadership group has a strong sense of the revolutionary cause and political responsibility, and harbors heroic ambitions to transform Baizhuang. All the members strongly desire to shake off poverty and advance along the road of collective prosperity. They are therefore determined to build Baizhuang into a new socialist village. In order to attain this target, they have never lost or shaken their steadfastness on the road ahead, no matter what great difficulties or setbacks they encounter. In the early years of the Great Cultural Revolution, the brigade party branch suffered serious sabotage; the leadership group was dissolved; people's minds were in turmoil; and the collective economy collapsed. The tractors were sold and there was no agricultural electrical equipment. The peasants took sacks to buy grain in other villages.

After the reestablishment of the party branch in 1970, the members of the new leadership group were not depressed or dismayed over this mess. They cleared aside interference and worked with a will to cure poverty in Baizhuang. They launched the masses to discuss and decide on production plans for levelling the sandy millocks to reclaim land, exchanging the sand for cash, raising pigs and collective manure, and rebuilding the homes, and led the masses to embark on a battle of transformation. The branch members labored with the masses in the daytime, and held meetings and did mass work in the evening. Working hard and continuously for 7 years, they levelled 32 sandy hillocks, filled in 27 gullies and improved 110 mu of land, all by their own labor and sweat. The original sandy hillocky land was transformed into a wide flat expanse of high and stable-yielding fields.

In order to eliminate the natural disasters of sandstorms, drought and flood, the brigade planted trees and built water conservation projects in a big way. The brigade now has 11 tree shelter belts and 11 mechanically-operated wells with 4,000 meters of reinforced water channels. This has created excellent conditions for developing production.

The leadership group's organizational life and democratic centralism are on a sound basis. Its party spirit is strong and it is well united. The party branch has realized from practice that without a strict organizational life and frank and sincere criticism and self-criticism, the party organization cannot form into a core and thus cannot do well in leading the masses to pursue the four modernizations. Hence they hold regular democratic life meetings, at which, whether of the older or younger generation and no matter whether their qualifications and record of service are deep or shallow, the members can air their views on the spot and seriously conduct criticism and self-criticism, clarify their thinking and solve the contradictions. In this way, in carrying out production and work, nobody is pulling the others along, and nobody has to do all the work alone.

In party branch life, the leader pays great attention to bringing into play the role of collective leadership and does not pursue the practice of allowing only one person to have the say. Instructions from higher authority, the brigade's production plans, capital construction, major expenditure items, labor systems and so on are all collectively studied by the party branch and discussed and approved by a party members' meeting. They also maintain a system of holding a brief daily meeting. They have not missed a day for more than 10 years, no matter how inclement the weather. They spontaneously go to the brigade headquarters to talk about ideology and work, exchange information and study problems. Thus they have ensured the smooth progress of all work and production tasks.

2. There is a combat-effective force of party members. The Baizhuang party branch has 14 party members. These party members set strict demands on themselves and are not afraid of hardship in work. Each of them has a technical speciality. They are backbone elements in production and construction. Last year, during the brigade assessment, all its party members were assessed models, and 11 of them received first class awards. Three of them were named outstanding party members by the upper-level party committee.

Chen Yongliang, an old party member who runs the pig farm, is over 60 years old. He devotes his whole effort to raising pigs and loves them like sons and the farm as his home. Under his influence and leadership, all the nine pig-keepers love raising pigs. As a result, collective pig-raising has developed every year. At present there are over 700 pigs on the farm. The masses say: Old Chen works so hard at raising pigs. He should get the chief credit for the fact that we can get 1 ton of grain per mu from land that was sandy hillocks.

Party member Bai Yujie is called an old apple expert by the masses. He has led 20 young people to work in the apple orchard throughout the year, dealing with pests, spreading manure and so on. As a result the 6,300 apple trees yield a bumper crop every year. In the past 3 years the orchard has produced an average of over 200,000 yuan in collective income each year.

Party member Bai Xishan devotes all his effort to making fruit wine. In order to grasp the techniques, he regularly takes along some dry grain to seek instruction from a master. Last year he led some auxiliary laborers and processed over 200,000 jin of apple wine from spoiled and fallen apples. The income from this was over 100,000 yuan.

The main reason why the party members of Baizhuang brigade can battle like this is that they persistently do three things. First, they persistently look for likely party recruits among the backbone elements in the production frontline, seriously cultivate them, and ensure the quality of party member recruitment. In doing this task, they pay no attention to a person's family status or seek to organize private factions, but strictly act according to the criteria for party members. Rather than lower the standards, they do not recruit people who do not meet party members' conditions.

Secondly, they persistently carry out education for the party members, strengthen cultivation of party spirit and improve their political qualities. In light of the ideological performance of the party members at different times and the existing problems, they organize them to study the party's principles, policies, and the draft of the new revised party constitution. As a result the party members have a clear understanding of the situation and strictly act in accordance with the party constitution. In recent years not one party member has violated party policy, engaged in illegal activities, or make serious mistakes.

Thirdly, they persistently place the party members in the frontline of production and press tasks and burdens on them, so that they can be steeled and develop their talent in the course of practical work. Nine of the 10 ordinary party members undertake leadership duties in the brigade, the specialized teams and the industrial and sideline production groups. They all work hard in their work posts and can do outstandingly well in leading the masses to fulfill all the tasks assigned by the party branch.

3. There is a set of practical and effective methods for doing political and ideological work. In building socialist material and spiritual civilization, the Baizhuang brigade party branch attaches great importance to the party's ideological and political work among the masses and consistently puts it in the first place, ensuring that it penetrates into all activities. They have realized in practice that in the new situation, only by strengthening political and ideological work and continually arousing and enhancing the masses' revolutionary awareness and their ability to understand and transform the objective world can we ensure the implementation of the party's principles and policies and the smooth progress of agricultural modernization. The following are their main methods in doing ideological work:

First, they persistently conduct education by persuasion and apply the party's policies and the facts to unify the masses' understanding. They have realized that political and ideological work is work done on people. We cannot get by now by preaching dull and hollow sermons. The most convincing things are the facts that the masses have experienced for themselves.

In 1980, when the brigade instituted various types of production responsibility systems, a number of party members and some masses outside the party had some muddled ideas on this great change, because they lacked sufficient understanding of it. They confused responsibility systems with dividing up the land for individual farming. In view of this, the party branch promptly organized the masses to study the central documents on agricultural development, and guided them to review the series of changes that had occurred on the brigade since the third plenary session. In this way they enhanced the peasants' understanding. Many of them said: Our Baizhuang has only been following the policies of the 3d plenary session for 1 year now, but our income has risen from 368,000 yuan in 1979 to over 510,000 yuan. We could not have achieved such a great development without good party policies. At the same time, they launched the masses to discuss and decide on the brigade's types of responsibility systems. They unanimously agreed to institute the system of specialized contracting with remuneration linked to output. This further mobilized the peasants' labor activism.

Second, they have closely linked political and ideological work with developing production and caring for the peasants' actual interests. For many years they have persistently launched political and ideological work centering on production and in connection with the peasants' material interests, scoring very good results. Last year they decided on an 18-point reward and penalty system in connection with improving and perfecting the production responsibility system. They stipulated that those who violate labor discipline, damage collective property, disrupt unity and so on are not eligible to participate in quarterly assessments for rewards. Those who persist in their ways despite repeated education are not permitted to take part in the yearend assessment for rewards. This measure has effectively guaranteed the normal progress of production.

In recent years, in view of the peasants' demands to be allocated land for building houses, they have constructed in a unified manner 9 2-story buildings with 432 rooms. Over 80 percent of the peasants have now moved into new dwellings. Thus the masses' practical difficulties have been solved and the ideological problems have also been solved accordingly. Their zeal for production has increased still more.

Third, they launched mass political work activities. The Baizhuang brigade party branch held that it will not do to just have someone or other responsible for mass ideological and political work. It can only be done well by launching the masses. They then devised a system of having the party branch members responsible for three fronts: agriculture, forestry and animal husbandry; industry and sideline occupations; and commerce and transportation. The leaders of large and small groups were put in charge of the specialized teams, and the party members established ties with the peasant households. Thus, ideological and political work is done at all levels. At the same time they launched a drive among the party members to create progressives and strive to become outstanding; a drive among young people to learn from Lei Feng, establish new styles, and strive to be good young people; and a drive among the masses to create five-good households. They launched the peasants to decide on conditions for assessing and rewarding the progressives, and formulate rural and village pacts. They assess outstanding party members every year and model peasants and cadres every quarter. They have also adopted various means to publicize the progressives.

As a result of these activities, the peasants' political awareness has been effectively enhanced, and they have braced their revolutionary drive. Everyone regards it as a duty and an honor to spontaneously take part in labor and uphold the interests of the collective, and nobody wants to do anything that harms the collective and violates discipline. They have made habits of loving the state, the collective and socialism, not pocketing money they pick up, and taking pleasure in helping others.

4. There is a good work style of honesty in performing official duties and arduous struggle. The leading members of the Baizhuang brigade party branch always set strict demands on themselves, are honest in performing their official duties and shun privilege. They constantly maintain and carry forward the party's fine traditions. Whether in difficult or affluent times, they have never misappropriated or embezzled public funds, taken one cent from the collective, accepted gifts or banquets, or resorted to irregular means to make arrangements for their sons and daughters. They persistently take part in labor with the peasants, and have their work recorded and accept rewards and penalties with them. They do not want extra subsidies. They always reserve the difficulties for themselves and make things easy for the masses.

On one occasion, higher authority assigned the brigade a labor recruitment quota for three state-owned units. Not one relative or son or daughter of the party branch members was selected; all the recruitment was done among the peasant masses.

In 1981, the brigade's average distribution exceeded 500 yuan. In the home of party branch Secretary Bai Xichuan, the average was only 330 yuan. Some of the peasants commented: The old party branch secretary has worked just as hard as we have, yet his income is below our average. We really feel very sorry about this. They suggested some special care for him. Bai Xichuan said with feeling: Party members seek the interests of everyone. So long as the masses are all rich, I am happy. He turned down the offer of special care.

In the course of building a new Baizhuang, the brigade party branch has constantly thought of the state. No matter how great the difficulties, they have never asked for help from higher authority. They have relied on their own efforts and arduous struggle to solve all problems. A few years ago they took the initiative to hand over 500,000 jin of reserve grain to the state to store for them. They also provided neighboring brigades with support in the form of 10,000 yuan in cash, 15,000 jin of grain and several thousand fruit tree saplings, to develop production there.

Although Baizhuang is now rich, the party branch still practices careful calculation and strict budgeting and insists on thrift and diligence in all things. It greatly cherishes the fruits of labor won by the peasants' sweat. This year the brigade built a 1,200 square-meter bean product processing plant. According to the design, nearly 100,000 yuan would have to be spent on the bricks alone. They made do with whatever was available and used old bricks as much as possible. As a result their expenditure was greatly reduced.

When the cadres go away on official business, they never spend money lavishly. They save as much as they can. Not long ago party branch Secretary Bai Xichuan took three people to south China to study the technique of producing dried bean cream rolls. They ate at small stalls, and stayed at small inns. The four of them shared two beds. Each of them spent only 90 cents a night.

The Baizhuang brigade party branch is by no means satisfied with the achievements scored. They are resolved to continue to strengthen the party's ideological and organizational building, bring into still greater play the party branch's role as a fighting force, and strive to achieve this year a total income of 1.5 million yuan for the brigade, average income of 2,000 per person, and average distribution of 600 yuan per person, so as to make new contributions, to accomplishing agricultural modernization.

XINHUA has added an editorial note to this investigation. The note says: The investigation on the work of the party branch of Baizhuang brigade in the outskirts of Zhengzhou municipality in Henan Province is encouraging. Our agricultural production really is just unfolding, and the prospects are splendid. Since the third plenary session, a fine situation has appeared in this brigade, with stability and unity, all trades flourishing, the peasants' life gradually becoming rich, and a transformation of party work style and the popular mood. The main reason for this is that there is a very combat-effective party branch on the brigade.

The experiences of Baizhuang brigade vividly prove that we can certainly make a new breakthrough in socialist agriculture so long as there are good rural grassroots leadership groups that are truly able to base their efforts on local realities, seriously implement the party's policies, persistently institute and perfect production responsibility systems in light of local conditions, work steadily and make solid progress in grasping production plans, and launch ideological and political work in a vivid and lively way.

RENMIN RIBAO COMMENTATOR ON SELECTING CADRES

HK070853 Beijing RENMIN RIBAO in Chinese 6 Jul 82 p 1

[Commentator's article: "Boldly Select and Use Cadres Capable of Making a New Breakthrough"]

[Text] In line with the principle calling for being revolutionary-minded, younger, educated and professionally competent, we must boldly select and promote cadres capable of making a new breakthrough. We must let them assume heavy leadership responsibilities in various departments at various levels. This is a very important guiding idea put forth by the party Central Committee in simplifying the administrative structure and reorganizing the leading groups. By firmly taking hold of this guiding idea, we can better implement and introduce the party's organizational line in the new era and bring the conditions of leading groups in line with the political tasks at the great turning point of the era. Only in this way can there be hope for success in our socialist modernization effort.

To Make a New Breakthrough, We Must Have a Number of Cadres Capable of Making a Breakthrough

What we call cadres capable of making a new breakthrough are not reckless fellows who act blindly and haphazardly nor chatterboxes who do not practice what they preach. Instead, we mean those Marxists who are resolute, sober and capable of doing something great. We mean those outstanding leaders who can creatively carry out the party's line and general and specific policies and perform remarkably in an area, department or unit. We stress selecting such comrades exactly because we want to insist on testing cadres in practice and adhere to the principle that calls for combining ability and political integrity with a cadre's actual personal experience.

Stressing the selection and promotion of cadres capable of making a new breakthrough is dictated by the needs of the party's cause and is also an enlightening historical experience. Ours is a party that keeps getting rid of the old to make way for the new in its realizing the lofty ideals of socialism and communism. Our party must overcome multiple obstacles that stand in the way of its progress and achieve its cherished goals, step by step. It will not do to be without a correct line and correct general and specific policies. Nor will it do if we have a correct line and correct general and specific policies but are without the help of good cadres who can put them into force -- cadres who are capable of making a breakthrough. Everytime there is a historic turning point in our cause, this problem becomes more important and more acute. Around the time the anti-Japanese war broke out in 1937, our party was at a great turning point of the revolution, as it united people of all nationalities of the country in resisting the Japanese aggressors. Comrade Mao Zedong then stressed: "To guide a great revolution, we must have a great party and many of the best cadres." Such cadres should "have an idea of Marxism-Leninism, combine political farsightedness with a working ability, cherish the spirit of making sacrifices, show the ability to solve problems independently, remain firm and unwavering in their faith when confronted with difficulties, and faithfully work for the nation, for the class and for the party." A study of the party's history shows that at every great turning point, only by relying on such good cadres to shoulder heavy burdens, to make breakthroughs and to turn the party's line into the conscious will and action of the masses did we eventually emerge triumphant.

Now, our country has entered a new period of historical development. The party's goal is to arouse and organize the people of the whole country to build China into a modern and powerful socialist country with a high degree of material civilization and spiritual civilization and a high degree of democracy. To go through this great turning point, as far as the tasks undertaken by the party are concerned, or as far as the new conditions and new problems already encountered or liable to be encountered are concerned, we are undoubtedly at a crucial period marked by many more complications and difficulties than ever before. We therefore need more cadres who can make a breakthrough. Here arises the problem of using cadres "transformed in four fields" (made more revolutionary, younger, better educated and more professional) to build a country "transformed in four fields" (with modernized agriculture, modernized industry, modernized national defense and modernized science and technology). This also calls for adopting the great strategic task of selecting a large number of elite middle-aged and young cadres measuring up to set requirements to join leading groups at all levels.

Since the 3d Plenary Session of the 11th CCP Central Committee, through resolute and overall efforts to turn chaos into order, our party has defined a Marxist line for socialist modernization in China, formulated a series of correct general and specific policies and made scientific arrangements for the development of economic, political, cultural and other undertakings. The most important thing now is to have a large number of organizers and commanders who have guts and knowledge and the actual skills to get things done as soon as possible. Therefore, party committees and organizational departments at all levels must pay close attention to their work and promote to proper leadership posts those cadres measuring up to set requirements and tested in practice as ones capable of making a new breakthrough. They must let the latter perform heroic and inspiring acts, one after another, on stages of various sizes in the socialist modernization effort.

Good Cadres Will Emerge as Soon as Wrong Thinking Is Cast Aside

At present, our party possesses nearly 20 million cadres, most of whom are good or relatively good. They are the organizers and the leaders of the 1 billion people in the new Long March, as well as the pioneers of our socialist modernization. From this marvelous treasure house of qualified personnel will emerge our excellent cadres who will undertake heavy tasks and open up new prospects at the historic turning point. Here we have a large number of long-tested veteran cadres who have repeatedly made outstanding contributions; as well as a vast number of excellent middle-aged and young cadres who have stood the trial, some of whom have already been promoted in the last few years to the leading posts which can give free rein to their ability. However, it is a pity that quite a few outstanding personnel have not been discovered and placed in important positions so far. The historic turn will continue to give rise to a vast number of heroic figures who will propel history forward, as well as to expose and eliminate some elements who prove to be definitely inferior or go against the historical trend. Party committees and organizational departments at all levels must be adept at selecting those cadres who are capable of making a breakthrough from among our pioneers, avoiding employing unsuitable personnel and preventing those smash-and-grabbers, those who have risen up by rebelling, those who are seriously faction-minded, and those who have, politically, seriously undermined the party's organization and discipline and, economically, severely violated the law and regulations in recent years from sneaking into our leading bodies. And this will be a very important trial for our organizational work and cadre selection work.

In fact, there are cadres who are capable of making a breakthrough in some places and some units. Nevertheless, they are always ignored and have never been promoted to suitable positions. Where does the crux of the problem lie? Just as Comrade Deng Xiaoping pointed out in 1980: "It lies in the fact that the present system and the way of thinking of quite a few of our cadres are unfavorable to the selection and employment of the personnel badly needed in the construction of the four modernizations."

The problem of qualified personnel being stifled due to certain inappropriate systems must be solved. In the last few years, the central authorities have adopted some measures and have taken the lead in reforming the cadre system. However, facts showed us that the wrong way of thinking of some comrades would not only, in some places and departments, lay obstacles on the road of cadre system reform which had been clearly affirmed by the central authorities, but would also directly hinder the search for and selection of outstanding people.

In the last 2 years, party committees at various levels have done quite a lot and achieved certain successes in eliminating the evil "leftist" influence on the recruitment of personnel and the backward thinking such as allocating positions according to seniority, being jealous of capable and talented people, and so on. However, such work was not carried out along with the actual selection of personnel in some places and units, and the core of the problem in the aspect of world outlook on which the above-mentioned wrong thinking exists was not dealt with conscientiously. Consequently, comrades in these places and units always declared they were going all out to select talented personnel on the one hand, and on the other failed to cast off the yoke of the subjective way of thinking in which they saw things as isolated, static and one-sided, whenever they actually took up the job of selecting personnel. In general, those cadres who are capable of making a breakthrough are genuinely talented. They are relatively practical and realistic, and never easily give up their own ideas which they have reached through meticulous reflections. However, since they do not easily agree with others on certain issues, they will quite often be labeled as "conceited" by people without careful analysis. Cadres who are capable of making a breakthrough always have a strong devotion to the revolutionary cause and a high sense of responsibility. They are courageous in bringing forth new ideas, taking up tasks and independently solving problems. However, they will also inevitably make certain mistakes in their work which can easily be utilized by other people as "vulnerable points" to attack them. Cadres who are capable of making a breakthrough also have a strong party spirit. They hate the degenerate ideology and style of the exploiting classes and are courageous in opposing violations of the law and breaches of discipline, and various unhealthy trends and evil practices. So, they will inevitably offend some people and thus cause the latter's resentment against them. Undoubtedly, no cadre who is capable of making a breakthrough is perfect. They have shortcomings as well as strong points. Often their shortcomings are intertwined with their strong points. However, we must realize that their strong points, their strong determination for socialist modernization, their remarkable leadership abilities and their spirit for hard work regardless of their own interests are the things most valued and needed by the party and the people's cause. The responsibility of our party organizations lies in developing and making good use of their strong points and correcting their shortcomings. Our predecessors in ancient times already knew that it is not worth "giving up a competent general for the sake of two eggs." (As quoted from the "History of the Zhou Dynasty" in "A Concise General History of China": Zisi recommended Goubian to the Marquis of Wei: "This man is capable of commanding 500 chariots." The Marquis replied, "I know his capability quite well. But, I have also learned that he was a petty official before, and was so greedy as to take two eggs from a civilian when collecting tax. That is why I do not select him as commander." Zisi said: "The way a wise leader selects his officers is similar to the way a skillful carpenter chooses timber: taking their strong points and discarding their shortcomings. A clever carpenter never gives up a piece of wood which is so thick that one can hardly get one's arms around it just because a small part of it is rotten. For the same reason, when selecting commanders, you should not give up a competent general for the sake of two eggs, as we are in the time of the Warring States. Our neighboring states will surely make use of the situation if you really do so.") Then, why should we, being driven by idealistic and metaphysical thinking, stifle qualified personnel who are badly needed in the construction of the four modernizations?

Adopt Effective Measures To Step Up the Selection of Talented People

Selecting outstanding young and middle-aged cadres so that the talented people who are capable of making a breakthrough can work and be trained on the frontline leading posts as soon as possible and establish good relations with the broad masses through practice -- this is still the main task on the organizational front at present. Party organizations must realistically sum up their experiences in the past 2 years and adopt effective measures to step up this work in order to meet the demands of the rapid development of the situation.

The experience of the streamlining of the central government structure shows that readjusting and rebuilding the leading bodies to make them more revolutionary, younger, better educated and more professional in the course of organizational restructuring is the most effective measure for speeding up the selection of outstanding young and middle-aged cadres. The streamlining of local structures at all levels will start in stages and in groups in accordance with the unified arrangements of the central authorities. However, the preparatory work, such as drafting the restructuring plans, examining outstanding young and middle-aged cadres and seeking out cadres who are capable of making a breakthrough, must be stepped up now. If there are suitable cadres to be promoted to the leading bodies of some localities and departments which urgently need cadres who are in the prime of life and are capable of making a breakthrough, they can be promoted right away. Do not drag it out until the organizational restructuring begins.

The selection of capable cadres who are in the prime of life and can open up new prospects and the readjustment of leading bodies should proceed from the higher level to the lower level with the leading body of a higher level supervising the work of the next lower level. Principal leading comrades of the party committees at various levels should personally attend to this work. They must strengthen the supervision and examination of the work and solve ideological and practical problems in good time. When examining the cadres who are selected for the leading posts, every member of the leading body should keep the public interests at heart, have the courage to uphold principle and speak for the good cadres. If there are different views on the same cadre, both sides must make concrete analysis and exchange views according to the materials which have been verified through investigation. In this case, a decision should not be made according to groundless hearsay or to the opinions of one or two people, and the problem should not be "shelved" either due to the differences in views.

In examining a cadre who is being considered for promotion, it is necessary to fully follow the mass line. It is necessary to combine the method of mass recommendation, public opinion polls and evaluation by the organization department, under the leadership of the party committees. The past outdated practice which makes a mystery of the selection process should be abandoned. Everyone is entitled to recommend outstanding cadres, but all those who have been recommended are subject to examination by the organization. It is necessary to resist the interference of factionalism and to promptly stop unorganized activities as soon as they are discovered.

Cadres who have been proved in practice to be capable of making a breakthrough should be boldly promoted. This does not mean that cadres can be promoted several grades at a time regardless of their original grades, as was done in the "rocket" and "helicopter" promotions of the "Great Cultural Revolution," but means that we must break free from conventional concepts on grades and create some new ones to suit the new tasks under the new situation. In selecting cadres we must not cast our eyes only on the existing party and government offices from provincial, prefectural, county and district levels. We must also scout them out from among cadres holding different jobs and job titles in all trades and professions. We must not select people on the merit of their record of service alone, but should stress both ability and political integrity and particularly observe how they conduct their work, resolve a problem and open up new prospects in their concrete practices. Party committees and organizational departments should do more to pave the way for the promotion to the leading bodies of cadres who are capable, in the prime of life and are capable of making a breakthrough. They should resolutely change the situation of talking more but doing less in selecting cadres.

CENSUS REPORTED MORE THAN 60 PERCENT COMPLETE

OWO61724 Beijing XINHUA in English 1524 GMT 6 Jul 82

[Text] Beijing, July 6 (XINHUA) -- Four days after it began July 1, China's first census since 1964 has counted more than 60 percent of the nation's approximately 1 billion people, according to the State Council's population census office.

"The enumeration has gone more quickly and smoothly than expected," said Bai Jianhua, deputy director of the office.

He said the project has gone so well due to meticulous preparations and careful organization by government and census agencies across the country, who have employed more than 4 million enumerators to take the count. The census is expected to be completed by July 10, and checking-up operations by the 15th, he said.

One of the greatest problems has been to neither duplicate nor omit the vast numbers of transients throughout the country, Bai Jianhua said. Shanghai alone has hundreds of thousands of travelers, he said, and an equivalent number of semi-permanent residents. To avoid miscounting, city enumerators fanned out to hospitals, hotels, and contacted neighborhood committees and work units.

Sichuan Province, China's most populous, with approximately 100 million people, has placed priority on surveying rural areas, where 80 percent of the population lives. More than 300,000 registration stations were established in the villages, resulting in a July 1 count of 3 million households and more than 10 million people, he said.

Another problem has been the accurate enumeration of water-borne homes, Bai Jianhua said. In coastal areas of east China, a special conference was convened, and census takers began their work as early as June 20, visiting ports, lakes and marshes to register fishing families. In Jiangsu Province, by July 4, counting of 680,000 such families had nearly been completed.

Border regions, the most remote of China's vast area, populated largely by minority nationalities, are keeping pace with the whole country, Bai Jianhua said. Scattered residences and poor communications have been the major obstacles. As early as March, the Tibet Autonomous Region, which had not participated in the two previous counts in 1953 and 1964, began evolving plans to organize and accommodate the population and the unique mountainous environment as early as March. More than 10,000 Tibetan and Han census workers were trained, and in June 1,000 set out on horseback to the vast grasslands of the region's north, while more than 100 officials went to cover the long border along the southern Himalayan slopes. Xinjiang Uygur Autonomous Region, comprising one-sixth of the nation's area and inhabited by 13 nationalities, June 1 sent 6,000 census workers with questionnaires in five languages into the region's pastoral areas to make registrations. Census in both these regions has been nearly completed, Bai Jianhua said.

MORE JOBLESS YOUTHS REPORTEDLY OBTAIN EMPLOYMENT

HK070250 Beijing CHINA DAILY in English 7 Jul 82 p 4

[Text] From 1979 to 1981, a total of 26 million jobless youths got jobs in China, says an article in ECONOMICS WEEKLY.

In nine provinces, cities and autonomous regions, all those without jobs before the end of 1981 were employed. In addition, a part of the senior and junior high school graduates in that year also were assigned jobs.

The primary reason for this success lies in changes in the way of assigning jobs so as to lay gradually the foundation of socialist employment system suitable to our national situation.

These changes are as follows:

-- Instead of relying solely on the government for employment, jobless youths are organized to create job opportunities; others are encouraged to find jobs themselves.

More than eight million youths found their jobs this way. They amounted to one-third the total of employed youths in the above-mentioned period.

-- Job-assignment by state-owned units has been taken over largely by collectively-owned units.

In 1978, 61.2 percent of jobless youths were employed by state-owned units while 38.8 percent were employed by collectively-owned units.

In 1981, however, the number of youths employed by state-owned units decreased to 51.7 percent and that of those employed by collectively-owned units increased to 44.7 percent.

-- The number of individual labourers in towns and cities doubled and redoubled.

The number of individual labourers increased from 150,000 in 1978 to 1,130,000 in 1981 -- more than a sixfold increase. Among them, the proportion of educated youths also rose. In 1981, it reached 20 percent -- about 14 percent more than in 1979.

-- Gradual implementation of an examination system has begun, giving priority to those who have made a good score on the exam.

In 1979 and 1980, more than half of the new staffs in state-owned units were employed through an over-all examination. The proportion was larger in 1981.

-- Post-employment training has begun to be changed to preemployment.

At present, there are more than 20 cities where training centers for unemployed youths have already been set up.

BRIEFS

YANGTZE SHIPPING CORPORATION -- Beijing, 1 Jul (XINHUA) -- The first ship of the newly established China Yangtze Shipping Corporation Ltd left Wuhan Monday for Hong Kong carrying 3,000 tons of rolled steel and manufactured goods, according to the Ministry of Communications. The new corporation, established by the Yangtze River Navigation Administration, the Shanghai Maritime Transportation Administration and the China International Trust and Investment Corporation, will handle the imports and exports of the area lying along the river -- Sichuan, Hubei, Hunan, Jiangxi, Anhui and Jiangsu Provinces. It also will handle transport for other provinces using Yangtze ports for transfer. The corporation will transport such products as cement, barite, graphite, quartz, marble, iron, steel and machinery. Coal from Shanxi Province, the nation's largest producer, and Henan and Guizhou Provinces will also be transported in the future. [Beijing XINHUA in English 1501 GMT 1 Jul 82 OW]

NEI MONGGOL MEASURES AUTHORIZE NUMBER OF WORKERS

SK070634 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 6 Jul 82

[Text] The regional people's government recently transmitted a report by the regional labor bureau on strictly controlling the increase in staff and workers at units run by the whole people and issued a circular to this end, urging all localities to conscientiously investigate and resolutely send back all unqualified new workers that were recruited arbitrarily without state authorization, through the backdoor or by establishing contacts with persons concerned. Personnel who have arbitrarily recruited workers without authorization and who have seriously violated law and discipline must be investigated to establish responsibility and given appropriate disciplinary sanctions.

The circular states: Localities and units have no right to arbitrarily recruit staff and workers and to increase the total wages not covered by the state plan. Personnel needed by units that were newly established or expanded and put into operation in 1982 must be deployed mainly from among enterprises, from enterprises that have been shut down or suspended and from units that have surplus workers. Generally, it is not permitted to recruit workers from society.

The circular states: When state agricultural, forestry, animal husbandry and fishery farms intend to increase the numbers of workers, departments must report to and obtain an approval from the regional people's government. They must select the best candidates from the children of staff and workers whose household registration records are in the farm neighborhood. These state farms are not permitted for any reason to arrange for children of staff and workers whose household registration records are in the countryside to work in the farms or to recruit persons from the rural areas. Those who have already been arranged jobs must be dismissed from their posts.

The circular states: Efforts must be made to promote and encourage some college, secondary vocational school and technical school graduates who are submitted to the 1982 unified job assignments and some demobilized and retired soldiers in the urban areas to work in urban collectively-owned units. They are permitted to retain their status as workers of units run by the people.

THE HONGKONG CONGRESS OF THE PEOPLE'S REPUBLIC OF CHINA

REPORT ON THE WORK OF THE HONGKONG CONGRESS OF THE PEOPLE'S REPUBLIC OF CHINA

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The Hong Kong Congress of the People's Republic of China was held in Hong Kong from 1967 to 1968. It was the first time that a large number of Hong Kong people had gathered together to discuss the future of Hong Kong. The Congress was organized by the Hong Kong People's Republic of China and was attended by representatives from various Hong Kong organizations and groups. The Congress discussed a wide range of issues, including the future of Hong Kong, the role of the British government, and the rights of Hong Kong people. The Congress also discussed the need for a new constitution for Hong Kong and the need for a new government. The Congress was a landmark event in the history of Hong Kong and it played a significant role in the development of Hong Kong's political and social life.

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In his report, Ma Qingnian said that at present people of various nationalities in the region are fervently launching a campaign to study and discuss the draft of the revised constitution. The constitution is the state's important fundamental law. To study and discuss the draft of the revised constitution is a major event in the political life of the state. The current people's congress was preceded by 2 days of arrangements with efforts concentrated on studying and discussing the draft of the revised constitution. After explaining the aim of revising the constitution, the great significance of discussing the constitution and the new features of the draft of the revised constitution, Ma Qingnian pointed out that under the leadership of party committees at all levels, standing committees of people's congresses at all levels must properly handle the business of discussing the draft of the revised constitution. They must do a good job of organizing personnel in order to facilitate organizing, discussing, sorting out, collecting and submitting views to the higher levels. In the course of discussion, we must pay attention to major problems and solicit the views of everyone on such problems. If there is a consensus or basically a consensus of opinion on major problems, the secondary and minor ones will lend themselves to solution. In no way can we let the secondary and minor problems stand in the way and direct our attention away from major ones. Of course, during discussion, we can put forth views about changing certain provisions in the draft of the revised constitution and about changing certain lines and punctuation marks. In the course of discussion, we must give full play to democracy and achieve the aim of speaking one's mind and airing one's own views. Even if only a small number of people hold a differing view, we should pay attention to it. This helps toward the proper revision of the constitution. Correct views should be accepted. Those obviously wrong ones must be properly explained. Reactionary speeches must be refuted. To distinguish between right and wrong, we must reason things out. But in taking such an approach, we must set forth facts and hold discussions with people concerned in a down-to-earth manner. We must base ourselves on reasons and on facts and convince others by reasoning things out. In the course of discussion, we must pay attention to listening to people and pooling opinions from representatives in various fields, especially from some well-known figures, members of various democratic parties and groups, CPPCC members, law workers, professors of various colleges, teachers, scientific and technical personnel, and the comrades of research institutes. We must also invite some jurists, professors and comrades devoted to studies in this field to hold forums, so that we can seriously listen to their opinions. In discussing the draft of the revised constitution, deputies should properly air their views and put forth suggestions about revision. As the people's deputies, we must really represent the people's views. We must realistically submit to the higher levels and reflect the various views aired by the masses of people in discussing the constitution, including our own. We must really exercise the power of the people as masters of the state.

Members of the presidium of the congress sat on the rostrum. Attending the opening ceremony were executive chairmen of the Congress Li Xuezhong, Ma Qingnian, Wang Jinzhang, Shi Yulin, Huang Zhizhong, Zhang Junxian, Ma Youde, Lu Ming, Lei Qilin and Yuan Jiaqin.

On the rostrum were also the responsible comrades of the autonomous regional CCP committee, autonomous regional people's government, autonomous regional CPPCC committee, Ningxia Military District, autonomous regional higher people's court, and autonomous regional people's procuratorate.

The whole body of members participating in the fourth session of the third autonomous regional CPPCC committee also attended yesterday's opening ceremony as observers. Also attending as observers were responsible comrades of various departments of the autonomous region.

Yesterday afternoon, the fourth session of the fourth autonomous regional people's congress and the fourth session of the third autonomous regional CPPCC committee discussed in separate groups the "draft of the revised constitution of the PRC."

QINGHAI COMMITTEE INSPECTS INTELLECTUAL WORK

SK040822 Xining Qinghai Provincial Service in Mandarin 2330 GMT 2 Jul 82

[Excerpt] The provincial scientific and technological committee recently inspected how the intellectual work has been carried out in its subordinate units and adopted concrete measures to solve a number of specific problems to inspire the enthusiasm of the scientific and technological workers. During the inspection, it discovered that some persons in the scientific units still have prejudices of varying degrees, especially concerning the problems of admitting intellectuals into the party. They have paid more attention to the intellectuals' shortcomings, family background and personal grudges and less attention to their strong points, realistic behavior and the need for their participation in work. Some scientific and technological workers who have behaved very well have not been admitted into the party for a long time.

In view of this situation, the party organ of the provincial scientific and technological committee urged party organizations at all levels to mete out measures and assign special personnel to train those scientific and technological workers who have applied for party membership. In accordance with the demand of the party constitution, they should admit them into the party when they are qualified. Two engineers who have met the requirements have recently been admitted into the party. The party organ of the provincial scientific and technological committee, in addition to reporting the situation of units where the work and living conditions are poor to the pertinent departments, have tried their best to urge the units to improve the situation and solve problems themselves.

QINGHAI RALLY HEARS ZHANG GUOSHENG SPEECH

SK061202 Xining Qinghai Provincial Service in Mandarin 2330 GMT 5 Jul 82

[Summary] The province scored good achievements in industrial production during the first half of this year. The provincial government urged the vast numbers of cadres, staff members and workers on the industrial and communications front to make continued efforts to promote production in the latter half of this year and ensure overfulfillment of the annual tasks.

"On the morning of 5 July, the provincial government convened a mobilization rally of Xining area on industrial and communications production. Governor Zhang Guosheng attended the rally and spoke. Deputy Governor Shen Ling delivered a report."

Industrial production grew steadily and economic efficiency was improving during the first half of this year. The province's total industrial output was valued at 610 million yuan, up 14.5 percent over the corresponding 1981 period. This is 53.3 percent of the annual plan. Semiannual production quotas were prefulfilled for cotton yarn, cotton cloth, knitting wook, aluminum products, crude oil, coal, electricity, steel, explosives and many other products.

SHAANXI NOTICE ON DECREASING NUMBER OF MEETINGS

HK060318 Xian SHAANXI Provincial Service in Mandarin 0500 GMT 5 Jul 82

[Text] The general office of the Shaanxi Government issued a circular on 23 June demanding that the government committees, offices and departments take effective steps to cut down the number of meetings.

The circular said: At present many meetings are being held. Their scale is large, their duration long, and their actual results poor. In particular, the professional work meetings held by certain departments are convened in the name of the provincial government and require the attendance of responsible comrades from the prefectures, municipalities and counties. Sometimes several leading comrades from one place are attending meetings in the provincial capital. In addition certain meetings arbitrarily increase the number of their work personnel, hire high-class hotel rooms and raise the food allowances. As a result conference expenditures grow ever larger. From January to May this year, the provincial government system held a total of 37 conferences, whose total expenditures amounted to 339,000 yuan, more than double the figure for the same period of last year.

An executive meeting of the provincial government has therefore proposed immediately cutting down the number of meetings and strictly observing the system of examining and approving meetings. Essential meetings must be brief, small and compact, and succeed in solving practical problems. Telephone conferences should in general not exceed half an hour. Conference work personnel should not exceed 10 percent of the number of conference participants. High-class hotel rooms may not be hired without the approval of the provincial government.

XINJIANG CIRCULAR ON GRADUATES' PROBLEMS

HK021324 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 1 Jul 82

[Summary] Recently the discipline inspection committee of the Xinjiang regional CCP committee, the regional planning committee, the regional education department and the regional personnel bureau issued a circular to discipline inspection departments at all levels of the party, planning committees at all levels and all education departments, personnel departments and institutes of higher education on further opposing the prohibiting malpractices in the assignment of graduates.

The circular points out: "The graduates of universities and colleges are people with special abilities. In accordance with the plans, they must be assigned to posts by the state. No units and individuals are allowed to interfere with the assignment of the graduates."

The circular demands: "Communist party members and party cadres at all levels, particularly leading cadres, must strictly implement the guiding principle for inner-party political life and take the lead in implementing the regulations on the assignment of graduates. They must teach their own children, relatives and friends to obey the assignment by the organizations." The circular demands that departments and schools which are responsible for the assignment work and cadres who are engaged in this work adhere to the principle work impartially and not practice favoritism and make a backdoor deal. They must spontaneously resist all unhealthy trends. In coordination with relevant departments, discipline inspection committees at all levels must supervise and investigate the assignment of graduates and seriously investigate and affix the responsibility for malpractices in the assignment of graduates.

TAIPEI NEWSPAPERS DISCUSS HAIG RESIGNATION

LIEN HO PAO Editorial

OW031121 Taipei LIEN HO PAO in Chinese 27 Jun 82 p 2

[Editorial: "A Look at Haig's Resignation From Every Angle"]

[Text] U.S. President Reagan personally announced Secretary of State Haig's resignation on 25 June and named former Treasury Secretary Shultz as Haig's successor. While this announcement came very suddenly, it did not catch people by complete surprise.

Significantly, as soon as Haig assumed his post as secretary of state early last year, it was noted that a considerable gap existed between him and the White House assistants, important Cabinet members and even President Reagan. This was particularly true immediately after the attempted assassination of President Reagan, when his various acts caused resentment among high-ranking officials in the U.S. Government and were criticized by the public. Later, he also often disagreed with Vice President Bush and Defense Secretary Weinberger on issues. As a result, the rumor that Haig was leaving the State Department was quite prevalent for a time last summer. Although President Reagan did his best to accommodate him afterwards, basic disagreements remained in actuality, even though Haig's position seemed to be consolidated on the surface. Haig had never been able to make his way into the nucleus of power in the Reagan administration and did not establish direct and close relations with the President, like Kissinger with Nixon and Brzezinski with Carter. Although there are many factors contributing to all this, the crux, to a large measure, lies in Haig's personal temperament and style. He has only himself to blame. In other words, Haig shouldered heavy responsibilities in the White House occupied by Nixon and Ford in a capacity similar to a "Cabinet caretaker." Later, he became NATO supreme commander, assuming personal command of a specific area, thus unavoidably becoming arrogant and impressed with his own importance. As a result, after joining the Reagan administration, he looked upon himself as an old hand in the U.S. Government while treating all others, including President Reagan, as amateurs, thus attempting to impose his own views on the U.S. Government and wanting others to listen to him. How could the Reagan administration take this stuff? Had Haig abandoned this idea, behaved himself and become a faithful and competent secretary of state, like Acheson to Truman and Rusk to Kennedy and Johnson in the past, he would never have been pushed aside and opposed.

Because of his personal temperament and style, he differed with the President himself on many important foreign policy issues after he assumed the post of secretary of state. This included the China issue, the policy toward Soviet Russia, and European and Middle East questions. President Reagan tolerated all this reluctantly and let Haig have his way. But some of the differences were unacceptable to Reagan; even if they were accepted or tolerated once or twice, they could not be allowed to continue by allowing Haig to make his own decisions, thereby affecting the basic objectives and thinking of the Reagan administration. In other words, the biggest mistake that Haig made as secretary of state was stepping out of line. According to the American Constitution, the President is the supreme and ultimate decisionmaker on foreign policy and the secretary of state is only an adviser to the President and executor of foreign policy. Therefore, no matter how amateurish the President is in foreign affairs and no matter how capable a secretary of state is, the President's opinion, not that of the secretary of state, should be heeded. It is so much the better if a President can accept the view of his secretary of state; if he cannot, then the only thing for a secretary of state to do is to follow orders or resign instead of confronting the President. In his tenure, which lasted 1 year and 5 months, Haig seemed to have violated this principle constantly.

The straw that broke the camel's back this time and which forced Haig to leave was the change in the situation in Europe and the Middle East. In Europe, Haig had always been an advocate of close cooperation between the United States and West Europe, and was concerned about the interests of the European allies at all times. However, on 18 June President Reagan suddenly announced an expanded embargo against Soviet Russia, calling not only on American companies to stop sending high technology equipment to Soviet Russia but also on American subsidiary companies overseas and foreign companies using U.S. technology not to sell the necessary equipment to Soviet Russia to help the Russians build the gas pipeline.

This had angered the West European allies. In this connection, West German Chancellor Schmidt issued statements on two occasions condemning the United States for undermining the economy of the West European countries, increasing unemployment and seriously affecting the relations between the East and West. The foreign ministers conference of the 10-nation European Common Market openly issued statements pointing out that the United States had extended its judicial jurisdiction overseas and had violated international law. All this exposed a major crack in the relations between the United States and its West European allies and made Haig feel that U.S. foreign policy had deviated from its normal course. As Haig saw it, to play tough with the Soviet Union was one thing; to expand sanctions against the Soviet Union by risking the danger of discord with the allies was another thing which he opposed resolutely. With regard to the Middle East, in the wake of the Lebanon crisis Haig first said he would personally handle the matter, but no action was taken afterward. It could be seen that serious differences existed within the U.S. Government, and Haig was one of the parties involved.

Shultz, who will succeed Haig, was a former secretary of labor and treasury in the Nixon administration; he is no stranger to Washington. Particularly when Reagan was initially considering candidates for secretary of state, Shultz was one of the favorites. This shows that he had all the necessary qualifications to be a secretary of state. Although the choice was called off later because of conflict of interests in dealing with the Arabs and for fear of opposition by the Jews, the changing situation in the Middle East has put this apprehension about Shultz in a more favorable light.

Most important of all, however, are Shultz' personal political skill and his profound personal friendship with Reagan. With these conditions, it can be expected that there will be closer and harmonious working relations between the President and the secretary of state and between the secretary of state and the White House assistants and other officials to make U.S. diplomacy work smoothly.

CHINA POST Editorial

OW041058 Taipei CHINA POST in English 29 Jun 82 p 4

[Editorial: "Change of Helm at State Department"]

[Text] The sudden resignation of U.S. Secretary of State Alexander M. Haig, Jr., last Friday has caught the world by surprise. The solemn statement made by President Ronald Reagan in announcing Secretary Haig's sudden resignation shows the seriousness of the disputes between the U.S. President and his secretary of state. There have been various speculations as to the reasons leading to Haig's resignation. Many people attributed them to Haig's personality conflicts with many administration officials, including the former national security adviser and many other members of the White House team as well as the U.S. ambassador to the United Nations and others. His strong personality and aloofness have not helped him win friends and supporters.

During the last 18 months as U.S. secretary of state, Haig attempted to dominate U.S. foreign policy formulation and execution in playing the role of "vicar of U.S. foreign policy." In so doing, he often overshadowed President Ronald Reagan. But he made several serious mistakes in dealing with the thorny issues of the world, including the Middle East problem, the Falklands problem and even U.S.-NATO relations. His handling of the China policy has also brought him considerable congressional criticism, as evidenced by the Senate speech by Barry Goldwater, Republican-Arizona, on June 23.

It may be recalled that Senator Goldwater went to the White House on June 18 and had a lengthy discussion with the U.S. President on U.S.-China policy. He raised 12 points showing the State Department's delay in implementing the arms sales program for the Republic of China in accordance with the requirements of the Taiwan Relations Act. Both President Reagan and Vice President George Bush who attended the crucial meeting reassured Senator Goldwater that "neither he, nor anyone in his administration, will go back on our nation's commitments to Taiwan".

President Reagan's dramatic announcement of Secretary Haig's resignation was made a week after that conference. Perhaps, U.S. policy toward Communist China, featured by sweeping appeasement of the Peiping regime as advocated by Secretary Haig, also played a part in the policy disputes.

President Reagan's choice of Mr. George Shultz to succeed Haig is generally welcomed by various circles. As an experienced Cabinet officer and team player, he is ideally suited to fill the vacuum left by Secretary Haig. His pledges to work harmoniously in U.S. administration will certainly be welcomed by the Reagan administration officials. His pledge to do what he can "to advance the causes of peace, freedom and justice in a world so troubled and so anxious to hope for a good future" is also most timely. The U.S. should reassert its leadership in the Free World to restore peace and harmony among the free nations instead of heightening tensions by erroneous ideas and acts.

Although Secretary of State-designate Shultz' views on foreign policy are yet to be revealed, he will stick more closely to President Reagan's views on various crucial issues. There is no doubt President Reagan will have closer formulation and supervision of U.S. foreign policy in the future after the Haig debacle. Thus the U.S. President will be able to implement more thoroughly his campaign pledges on U.S. foreign policy, and Mr. Shultz will be able to execute his policies more faithfully than his predecessor.

Mr. Shultz, who knows the Asian and Pacific situation much better than Secretary Haig, will have a unique opportunity to initiate new policies through a revitalized State Department which will certainly undergo some reorganization. We hope that he will weed out all pro-Peiping elements in the department who are subverting U.S. policy in favor of the Peiping regime at the expense of the Republic of China. History is indeed repeating itself in having so many pro-Peiping elements in the U.S. administration as right after the Second World War. Fortunately, the American people are now more aware of the communist danger and they have a President dedicated to a crusade against communism and terrorism. The days of the Peiping regime are indeed numbered.

NEW NUCLEAR ENERGY AGREEMENT WITH U.S. SOUGHT

OW050405 Taipei CNA in English 0302 GMT 5 Jul 82

[Text] Taipei, 5 Jul (CNA) -- The government is actively cooperating with both the United States and Europe to push for the peaceful use of nuclear energy, according to the Atomic Energy Council of the Executive Yuan. In a report to Premier Sun Yun-hsuan Sunday the council revealed that the government is now drafting a new nuclear energy cooperation agreement with the United States in an attempt to speed up the use of nuclear energy in Taiwan. The Republic of China and the U.S. signed a cooperation agreement in 1955. The agreement is good for 40 years. It was amended once, in 1974. Cooperation with the U.S. has a great bearing on the research and development in the peaceful use of nuclear energy in Taiwan, the council reported.

The government sent experts to the United States and Belgium to study the use of nuclear energy and the technology behind safe stockpiling of nuclear waste. In addition, the government has invited experts from the U.S., Switzerland, Belgium and West Germany to give advice on nuclear energy use and to map out nuclear energy policies for reference. The government has sent and is continuing to let local experts make advanced studies on the possible course and take part in various training programs on how to achieve the safe use of nuclear power generation.

PROGRESS IN SEARCHING FOR OIL, URANIUM REPORTED

OW251011 Taipei CNA in English 0942 GMT 25 May 82

[Text] Taipei, 25 May 9CNA) -- The Republic of China, in an effort to ensure a stable supply of energy, has made significant progress in the search of oil and uranium in collaboration with foreign concerns.

Government sources said this nation has signed or is going to sign contracts on exploration of oil with the Philippines, Indonesia, the United Arab Emirates and the Marshall Islands. The state-run Chinese Petroleum Corp. (CPC) is also studying the feasibility of prospecting oil off the Ivory Coast.

In the development of uranium, CPC, Taiwan Power Company, and another government enterprise have started exploration work in Paraguay together with two companies from the United States and South Korea.

The sources said the joint venture in a Philippine oil zone started its drilling operations last month, while the survey work on Luzon, the chief island of the Philippines, is under way. Preliminary survey at an oil zone in Indonesia has been completed by CPC and seven other foreign companies, and international bidding will be made in July.

CPC's subsidiary firm, Overseas Petroleum and Investment Corp. (OPIC), has recently obtained a share in prospecting oil in the United Arab Emirates. OPIC has also signed a contract with authorities of the Marshall Islands on oil survey, and a contract on oil exploration is expected to be concluded in the near future.

This nation depends heavily on imports for its oil supply, and the government has been making strenuous efforts to explore oil at home and abroad. In addition, the government is also encouraging the development of alternate energy and conservation of energy. Official statistics show that this nation's consumption of oil and oil products last year dropped 7 percent from the preceding year, while the use of coal and other alternate energy was on the rise.

TAIWAN POWER COMPANY BUYS FRENCH URANIUM

OW041100 Taipei International Service in English 0100 GMT 30 Jun 82

[Text] The Taiwan Power Company has recently signed an agreement with COGEMA (Compagnie Generale des Matériaux Nucleaires) of France for the purchase of \$300 million worth of concentrated uranium for its nuclear power generation project. As soon as the agreement is approved by the French and the Chinese Governments, the purchase will be considered confirmed. According to specialists, the concentrated uranium supplied by France will be able to fuel a nuclear power plant with twin 1-million-kilowatt generators for 20 years.

TAIPOWER NEGOTIATING NUCLEAR FUEL REPROCESSING

OW220317 Taipei CNA in English 0252 GMT 22 Jun 82

[Text] Taipei, June 22 (CNA) -- The Taiwan Power Company is negotiating with the French Company COGEMA (Compagnie Generale des Matériaux Nucleaires) to reprocess the spent fuel from the nation's nuclear power plants, which will exceed the storage capacity of each plant within 10 to 15 years, according to the utility's chairman, L.K. Chen. In a report to the Legislative Yuan, Chen said some of the reprocessed waste will be reused and the rest dumped. He declined to say where the reprocessed products would be used or to give any details on the talks. He stressed the products will not be used to make nuclear weapons.

COGEMA is a fully owned subsidiary of the French Atomic Energy Commission (CEA). It offers supplies and services for every stage in the nuclear fuel cycle, from concentrates uranium enrichment, fuel manufacture, in-core management, to transportation and reprocessing. In the last field, it is believed to be the most successful firm in the world. It also offers consultancy services for industrial projects at every stage of the nuclear cycle.

MORNING POST REVIEWS PRC NUCLEAR DEVELOPMENT

HK070226 Hong Kong SOUTH CHINA MORNING POST in English 7 Jul 82 p 8

[By Foreign Affairs Editor David Chen]

[Text] The People's Liberation Army, which is undergoing extensive overall modernization, may now have tactical nuclear weapons in its arsenal, according to the Japanese news agency, JIJI.

In a dispatch from Beijing, the agency quoted the opinion of military analysts who examined a photograph published in a provincial newspaper, depicting a military exercise somewhere in the deserts of the Ningxia Hui Autonomous Region, in northwest China. The picture shows a mushroom cloud billowing from the desert hills and the caption to that picture says: "An 'atomic bomb' exploding deep in the ranks of the 'enemy.'"

The agency quoted Western military analysts in Beijing as saying that although the incident was "simulated," the exercise and the picture did indicate that China had already successfully developed small-scale tactical nuclear weapons and probably already had a certain number of such weapons in its arsenal.

Military analysts in Hong Kong said yesterday several exercises had taken place, particularly in the north and northwestern regions of China in the past year, but the Ningxia exercise, which was held in the second half of last month, appeared to be the biggest since the full-scale combined exercise in the hilly region of Zhangjiakou, 200 km northwest of Beijing, last September, when 200,000 troops took part.

A short report accompanying the picture said, in addition to the use of "atomic bomb," tactical fighters and bombers as well as rapid-firing rockets were also employed in the exercise. The exercise, the report went on, fully demonstrated the special qualities of modern warfare and the ability of the PLA to engage in such military conflicts.

Ningxia is a strategic autonomous region bordering on the People's Republic of Mongolia, where the Soviet Union stations several divisions. It is a part of the important border military region of Lanzhou, named after the provincial capital of Gansu Province. Only a month ago, Chinese television showed a full-dress parade in Lanzhou, with the participation of infantry, tank, artillery and missile units. The Lanzhou region is also the area where many of the army's missiles are tested.

In the middle of last year, China tested its first full-range ICBM with the successful launching of at least two such missiles into the southwestern Pacific. It was from the Lanzhou region, of which Ningxia is a part, that these missiles were launched.

The regional commander is General Du Yede, who took over from General Han Xianchu less than three years ago. Its political commissar is General Xiao Ke, another seasoned officer.

Development of the nuclear arsenal, including tactical weapons, is vested in the former Second Ministry of Machine Building Industry, now renamed the Ministry of Nuclear Industry. Although the personnel of the ministry changed drastically during and after the Cultural Revolution, scientists engaged in the development of nuclear devices have largely been left alone. They included the "father of China's atomic bomb," Dr Qian Sanqiang.

Until recently, the ministry was headed by an army officer, General Liu Wei. Since the reshuffle early this month, it has been headed by a woman scientist, 59-year-old Miss Zhang Zhen.

China first exploded a nuclear device at Lop Nor, southern Xinjiang, in October 1964. Since then, it has built up a sizeable arsenal of nuclear weapons, making it possibly the third largest nuclear power in the world.

The development of tactical nuclear weapons, if military analysts' assessments are correct, will represent a major step in this branch of weaponry.

Although not a signatory of the nuclear-ban treaty, China advocates disarmament of nuclear weapons.

ECONOMISTS REVIEW SYSTEM REFORMS DEFINITIONS

HK060612 Hong Kong WEN WEI PO in Chinese 6 Jul 82 p 3

[Special dispatch from Beijing: "Economists Discuss System Reforms"]

[Text] Our country's economic workers and economic theorists have carried out heated discussions on system reforms over the past few years. To further promote discussions on this theoretical issue, which is of great significance, the Commission for Restructuring the Economic System and the Economic Research Center under the State Council recently held a mobilization meeting. Xue Muqiao, Yu Guangyuan and others spoke at the meeting. The following report summarizes their speeches at the meeting:

In his speech, Xue Muqiao stressed: At present, we primarily focus our attention on discussing the relations between planned economy and market, and on discussing rules and regulations. It is normal to hear differing views during our discussion. It is imperative to have a good style of study for seeking truth from facts.

With regard to the relations between planned economy and market, it is imperative to further discuss the following issues:

1. On the relations between commodity economy and planned economy: Some comrades hold that commodity economy and planned economy are not two diametrically opposed economies. It is true that our socialist economy is essentially a planned economy and is not a commodity economy. However, we cannot say that commodity production, commodity exchange and commodity economy do not exist within socialism. It is imperative to study ways to understand them.

2. On regulation by planning mechanism and regulation by market mechanism: We have always said that it is imperative to integrate regulation by planning mechanism with regulation by market mechanism, and that under the guidance of the state plan, it is imperative to make full use of the regulation by market mechanism. We have also always said that in integrating regulation by planning mechanism with regulation by market mechanism, regulation by planning mechanism should be the main feature while regulation by market mechanism should be a secondary feature. Are these formulations basically correct? Our country's planned economy has been dealt blows over the past 3 years. Did these blows come from regulation by market mechanism or did they result from the failure to simultaneously use the economic lever to guarantee the fulfillment of state plans? How are we to correctly understand them?

3. On the difference among market, market economy and regulation by market mechanism: Planned economy is not market economy. However, planned economy must have a market and must not be antagonistic to the market. Without a market, we still cannot implement our planned economy. The shortcoming in our economic work is not overusing the role played by market, but improperly using the role by market. The meaning of market is different from the meaning of market economy, the meaning of regulation by market mechanism is different from the meaning of planning, and the meaning of planned economy is different from the meaning of regulation by planning mechanism. It is imperative to restudy our past expressions so as to see whether they are clear and unambiguous.

OFFSHORE OIL BIDS TO CHINA LIKELY TO BE REDUCED

HK290258 Hong Kong SOUTH CHINA MORNING POST in English 29 Jun 82 Business News p 1

[By Julie Auyeung]

[Text] Oil companies are likely to reduce the size of the bids they are making to the Chinese Government for offshore oil and gas.

Experts in Hong Kong say the companies are reacting to the generally depressed state of the oil industry, which, they believe, may affect exploration budgets for the China ventures.

While the companies will not "drop out completely," some are said to have "lost some of their early enthusiasm," sources told Business News. Some are even said to be "re-evaluating" the attractions of drilling in Chinese waters in view of the "tough" terms laid down by China. Exactly how much of this is in the nature of a bargaining ploy is hard to say, but one Hong Kong expert on the subject of oil, the managing director of Produnda, Mr Jack Nisbet, offered the view that the honeymoon is over.

"The worldwide depressed situation has resulted in reduced profits and increased risks of expropriation or military damage to the free flow of oil in many areas. The lowered exploration budgets already announced by many oil companies show their effect in the drastic drop in the number of drilling rigs working in the United States -- off 20 percent from a year ago. The reduced budgets are bound to tighten the pursestrings on China bidding," Mr Nisbet said.

Mr Nisbet also pointed to the second factor affecting the size of bids -- the terms laid down by China, which has had the examples of the North Sea and Indonesia as guides. These areas are major oil sectors with settled production, unlike the speculative areas off China.

"Oil companies feel the Chinese may be losing sight of the primary purpose -- to find oil and get it out where it can be sold -- in the desire to train their people, use Chinese products, develop Chinese ports and expand their technical staff," he said. "Those efforts, even though commendable objectives, have to be secondary to developing the oil reserves. Without oil, nothing happens. With the oil, all these things will come naturally."

China, albeit expending great efforts to get the project off the ground, has nonetheless been "overly suspicious" that foreign oil companies will reap the benefits of Chinese resources. Oil companies wanted to get the oil out as soon as possible, because dollars earned today may be different from dollars earned 10 years from now. The companies were responsible to shareholders, he said, and had to have a reasonable assurance that there was a chance to make a profit.

Successful bidders for China's offshore concessions will be selected by a "screening committee" which Beijing hopes to set up in November. Results of the tenders are expected between January and March.

In anticipation of legal complications, Chinese experts are closely studying the recently announced exploration regulations in the hope that more details can be worked out before contracts are signed.

A senior vice-president of petroleum and mining equipment and supply, Far East Ltd, Mr K.C. Huang, said China is particularly looking at such areas as arbitration, profit-sharing, operation management, production rights and oil companies' obligations when operating in China.

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